CHARGER METALS NL – CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

Introduction

Charger Metals NL (CHR or the Company) acknowledges and emphasises the importance of all Directors, senior executives and employees maintaining the highest standards of corporate governance practice. In determining what those standards should involve, the Company has referred to the Australian Securities Exchange (ASX) Corporate Governance Council's "Corporate Governance Principles and Recommendations, 4th Edition" (CGC Recommendations).

The Company's practices are largely consistent with the CGC Recommendations, and the Board has made appropriate statements reporting on the adoption of the CGC Recommendations. Where the Company's corporate governance practices depart from the practices in the CGC Recommendations, the Board has disclosed this departure and the reasons for the adoption of the Company practices as they stand, in compliance with the 'if not, why not" principle, and these are summarised in the Appendix 4G and this Corporate Governance Statement.

A copy of the Company's Charter documents and other documents referred to below are contained on the Company's website at: https://chargermetals.com.au/corporate-strategy/#governance

Set out below are the principles and recommendations contained in the CGC Recommendations and a discussion on how they have been implemented by the Company during the year ended 30 June 2026.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.

The functions and responsibilities of the Board and those delegated to management are disclosed in the Board Charter on the Company's website.

Without limiting the general role of the Board, which is set out in more detail in the Board Charter, the principal roles and responsibilities of the Board include the matters set out below, subject to delegation to the Managing Director and senior management as specified elsewhere in this statement or as otherwise appropriate:

- Setting the strategic aims of the Company and overseeing management's performance within that framework
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives
- Overseeing management's performance and the progress and development of the Company's strategic plan
- Selecting and appointing suitable Executive Directors with the appropriate skills to help the Company in the pursuit of its objectives
- Determining the remuneration policy for the Board members, Company Secretary and Senior Management
- Controlling and approving financial reporting, capital structures and material contracts
- Ensuring that a sound system risk management and internal controls are in place
- Setting the Company's values and standards
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council
- Ensuring that the Company's obligations to shareholders are understood and met
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees

- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the Board losing sight of the direction that the Company is taking
- Any other matter considered desirable and in the interest of the Company.

The Board has delegated to the Managing Director the day-to-day responsibility for running the Company and for the implementation of the policies and strategies established by the Board. The Board also delegates to senior management the responsibilities for the day-to-day activities required, within their designated areas of control, in order for the Company to achieve its strategic objectives.

Recommendation 1.2: A listed entity should undertake: (a) 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.

Given the present size of the Company, it has not formed a separate Nomination Committee. Instead this function is undertaken by the full Board in accordance with the policies and procedures outlined in the Board and Nomination Committee Charters. The Company also has a procedure guideline for the selection and appointment of Directors.

In its evaluation of candidates for the Board, the Committee will have regard to normally accepted nomination criteria including: -

(a) The ability to exercise sound business judgment.
(b) A position of leadership or prominence in a specified field.
(c) Absence of conflicts of interest (independence) or other legal impediments to serving on the Board.
(d) Willingness to devote the required time.
(e) Availability to attend Board and Committee meetings.
(f) Appropriate experience and/or professional qualifications.
(g) Integrity or moral reputation.

The Company has in place appropriate procedures to ensure that material information relevant to a decision to re-elect a Director is disclosed in the notice of meeting provided to security holders.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

New directors, senior executives and employees receive a letter of appointment which provide the key terms and conditions including position description, remuneration and incentives provided, requirements to adhere to Company policies, term and termination provisions.

Non-Executive Directors are not appointed for fixed terms and are subject to re-election by security holders. Executive Directors and senior executives have written service agreements which set out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary reports to the Chair on all matters concerning the Board's activities and responsibilities, including:

a) advising the Board and its committees on governance matters;
b) monitoring that Board and committee policy and procedures are followed;
c) timely completion and despatch of Board and committee papers;
d) ensuring business at Board and committee meetings is accurately captured in the minutes; and
e) assisting with the induction of directors.

Directors may contact the Company Secretary directly and vice versa.

In accordance with the Company's constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A biography of the Company Secretary is available on the website and in the Director's Report contained within the Annual Report. The role of the Company Secretary is detailed in the Board Charter.

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. 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).

The Board has adopted a Diversity Policy as per the CGC Recommendations. The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance. The Board is responsible for monitoring Company performance in meeting diversity requirements, including the achievement of diversity objectives.

At an appropriate time in the future when the Company is of sufficient size and scale, the Board will determine appropriate measurable objectives for achieving gender diversity. Given the current small number of employees in the Company workforce, the Board has determined that it is not currently practicable to implement these measurable objectives. The Company does however ensure equal opportunities in the hiring, training and career advancement of directors, officers and employees.

The Company and its consolidated entities has one (1) female employee/consultant:

- one (1) Accountant

who represents approximately 16.7% of the total employees/consultants, executives and/or board members of the Company and its consolidated entities. There are currently no female members on the Board of the Company.

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 was undertaken in accordance with that process during or in respect of that period.

As noted in Recommendation 1.2, the Board assumes the responsibilities of the Nomination Committee in overseeing Board and Board Committee membership, succession planning and performance evaluation, in addition to Board member induction and development.

The Company will assess the skills and competencies required on the Board annually. On 2 September 2025, the Board was re-structured, with Mr Bryan Dixon appointed Managing Director and CEO following Mr Aidan Platel's resignation, and Mr Tim Armstrong appointed as a Non-Executive Director. As at 30 June 2026, the Board comprised four (4) Directors: Mr Bryan Dixon, Managing Director and CEO; Mr Adrian Griffin, Non-Executive Chairman; Mr Terry Gardiner, Non-Executive Director; and Mr Tim Armstrong, Non-Executive Director. The criteria for Board, Board Committee and Director evaluation is described in the Board Charter and also the Remuneration Policy. A performance evaluation of the Board, its committees and individual directors was undertaken during the year ended 30 June 2026, in accordance with the process outlined above.

Recommendation 1.7: A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company will regularly assess the skills and competencies required of all Executive Directors and senior executives including measuring their performance against set objectives.

Annual performance reviews of all Executive Directors and senior executives will occur to measure their performance against set objectives which will also influence the amount of any incentives to be paid in

a given year. A performance evaluation was carried out for the managing director during the reporting period. All evaluations will be carried out in accordance with the process disclosed.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Recommendation 2.1: The Board of a listed entity should: (a) have a nomination committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director and disclose the charter of the committee, the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings

Given the present size of the Company, the Board has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Board and Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed.

Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Details of the current Directors, their respective skills, experience, qualifications and a record of their attendance at meetings are included in the Directors Report within the Annual Report. In accordance with the Board Charter, the Board seeks to achieve in its membership persons with demonstrable skills, capability, experience and ability to question and debate with other Board members, the ability to operate as part of a team, the ability to contribute outstanding performance and have a track record of impeccable ethics and values. The Board seeks to have a mix of age, skills, knowledge, experience and expertise in its ranks. The current mix of skills and experience on the Board is disclosed in the skills matrix as follows:

Skills and Diversity matrix (out of 4 Directors)

Leadership and Governance	**Mining and Exploration Sector Experience**
4 Directors	4 Directors
Corporate	**Finance and Risk**
4 Directors	4 Directors
Strategy and Project	**Behavioural and communication**
4 Directors	4 Directors

The Company's principal business is exploration and mining. All material investment decisions require the approval of the full Board. In considering new appointments the Board will have regard to the need to augment the skills, knowledge, experience and capabilities of the current members and to meet its future needs, the Company's sustainable growth ambitions and diversity aspirations. In doing so, the Board recognises the unique skills, experience and outlook that different genders can bring to the group.

Recommendation 2.3: A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.

The Company recognises the importance of maintaining an appropriate balance between independent and non-independent representation on the Board. The criteria used by the Company in assessing independence of its Board members is disclosed in this Corporate Governance Statement and the Board Charter.

The Board currently consists of four (4) Directors, consisting of (1) Managing Director and CEO, one (1) Non-Executive Chairman and two (2) Non-Executive Directors:

- Mr Bryan Dixon – Managing Director and CEO;
- Mr Adrian Griffin – Non-Executive Chairman;
- Mr Terry Gardiner – Non-Executive Director; and
- Mr Tim Armstrong – Non-Executive Director.

Mr Bryan Dixon was appointed Managing Director and CEO, and Mr Tim Armstrong was appointed as a Non-Executive Director, on 2 September 2025. Mr Terry Gardiner has served as a Non-Executive Director of the Company since November 2020, when the Company was incorporated and Mr Adrian Griffin was first appointed Non-Executive Director on 26 November 2021.

The Board considers that all three of the non-executive directors, being Mr Adrian Griffin, Mr Terry Gardiner and Mr Tim Armstrong, are independent directors. Mr Bryan Dixon, as Managing Director and CEO, is not considered independent.

In making this assessment of independence the Board has followed the evaluation criteria of the Board's Guidelines on Director Independence which is set out in the Board Charter available in the Corporate Governance section of the Company's website. These guidelines are in conformity with the guidelines of the ASX Corporate Governance Council and requires the satisfaction of all of the items on a list of criteria, the most significant of which are:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- is employed, or has previously been employed in executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- has a material contractual relationship with the Company or other group member other than as a Director of the Company

Information pertaining to the relevant skills, experience and length of service of the directors of the Company as at the date of this Statement is included in the Annual Report.

Mr Bryan Dixon was appointed as Managing Director on 2 September 2025, replacing Mr Aidan Platel who resigned. Mr Tim Armstrong was appointed as a Non-Executive Director on the same date.

Recommendation 2.4: A majority of the Board of a listed entity should be independent directors.

As at 30 June 2026, the Board comprised four (4) Directors, consisting of one (1) Managing Director and CEO, one (1) Non-Executive Chairman and two (2) Non-Executive Directors. Three of the Company's four directors — Mr Adrian Griffin, Mr Terry Gardiner and Mr Tim Armstrong — are considered independent directors, representing a majority of the Board. The Company believes it has the appropriate balance between independent and non-independent representation on the Board. The Board considers that the interests of the Company are best served by appointing directors with the relevant skills and expertise to enhance the Company's performance. The Board believes each director brings an independent, objective judgment to the deliberations of the Board.

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.

Mr Adrian Griffin serves as the Non-Executive Chairman of the Company. The Chairman is considered an independent director, and the Board believes the Chairman brings independent, objective judgment to the deliberations of the Board. Mr Bryan Dixon serves as Managing Director and CEO.

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.

The Company does not have a formalised induction program but adheres to the Board Charter in inducting new Directors. For a new Director, the Company Secretary provides the following documents:

- Letter of Appointment including appointment terms, Directors duties and obligations, and Director entitlements;

- Consent to Act, which requires formal written consent to become a Director, containing the minimum information required by the Company.

The Company encourages Directors to attend relevant external seminars, conferences and educational programs for professional development purposes and relevant industry knowledge. Directors also have the right to seek independent professional advice at the Company's expense in accordance with agreed procedures established by the Board.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1: A listed entity should articulate and disclose its values

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law; and
- encourage the reporting and investigating of unlawful and unethical behaviour.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

The Code of Conduct imposes a responsibility on individuals to report breaches of the Code to executive management or to a director so that appropriate remedial action can be taken.

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.

As detailed above the Company has an established code of conduct and this is disclosed in the Corporate Governance section of its website. There were no material breaches of that code during the financial year.

Recommendation 3.3: A listed entity should: (a) have and disclose a whistle-blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy

The Company has a formal whistle-blower policy which can be found in the Corporate Governance section of its website. There were no material breaches of that policy during the financial year.

Recommendation 3.4: A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy

The Company has a formal anti-bribery and corruption policy which can be found in the Corporate Governance section of its website. There were no material breaches of that policy during the financial year.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1: The Board of a listed entity should: (a) have an audit committee which: 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the Chair of the Board. and disclose: 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings or; (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has chosen not to establish an Audit Committee which is inconsistent with the CGC Recommendations, however deemed appropriate for the size of the Company. The Board considers that due to the relative small size of the Company that the interests of the Company are best served by the full Board completing the functions normally delegated to an audit committee.

The processes that the Board employs to independently verify and safeguard the integrity of its corporate reporting include:

- reviewing and adopting the Company's Quarterly, Half Year and Annual Report prior to release to shareholders and the ASX
- overseeing the Company's relationship with the external auditor the external audit function generally and ensuring the external audit engagement partner rotation is in accordance with the Corporations Code;
- overseeing the adequacy of the control processes in place in relation to the preparation of financial statements and reports; and
- overseeing the adequacy of the Company's financial risk management and internal controls.

Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The CFO and Managing Director provides a declaration in accordance with Section 295A of the Corporations Act in relation to the half year and annual accounts and assured the Board that the declaration is founded on a sound system of risk management and internal controls and that the systems are operating effectively and efficiently in all material respects.

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.

The Company's annual and half yearly reports are audited and reviewed by an external auditor. Quarterly activities and cashflow reports are reviewed by the full Board and the Chief Financial Officer/Company Secretary. The external auditor is invited and will attend the Companies AGM and will be available to answer questions from shareholders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

The Company has a written Continuous Disclosure Policy which has been adopted to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and Corporations Act 2001. The Continuous Disclosure Policy sets out the rules and procedures for ASX information disclosure, the responsibilities of the Board, senior executives and staff to ensure price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner, and that all information provided to the ASX is also uploaded to the Company's website as soon as possible after disclosure to the ASX.

The Company Secretary manages the Company's compliance with its continuous disclosure obligations and is responsible for communications with and coordinating disclosure of information to the ASX. Directors are circulated all announcements released to ASX prior to announcement. A copy of the Company's Continuous Disclosure Policy is disclosed on the Company's website under Corporate/Corporate Governance.

Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board receive copies of all material announcements.

Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation on the ASX Markets Announcements platform ahead of the presentation.

The Company releases copies of investor and analyst presentations on the ASX Markets Announcements platform ahead of the presentation time.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company's web site contains details of its key projects, all of its activities and operations and corporate information. The Company web site is: https://chargermetals.com.au/

Information about the Company's corporate governance policies is available on the Company's website at: https://chargermetals.com.au/corporate-strategy/#governance

Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company encourages security holder communication throughout the year and at all times security holders can contact the Company via the contact details provided on the Company's website. Security holders may also subscribe to the Company's mailing list via the website. The Company also conducts periodic shareholder information sessions in selected Australian capital cities allowing shareholders to receive updates from members of the executive management team of the Company.

The Company also encourages security holder participation at general meetings and shareholders who are unable to attend general meetings of the Company are encouraged to participate in the meetings by way of appointment of a proxy.

Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company encourages participation at meetings of security holders and will Notice of Meetings available on its website. The Company's auditors will attend the Annual General Meeting and will be available to answer questions from security holders with regard to the conduct of the external audit for the relevant financial year as well as the preparation and content of the Annual Report. Security Holders are encouraged to ask questions at each security holder meeting.

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

Resolutions are to be passed by a poll.

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.

The Company encourages security holder communication throughout the year and at all times security holders can contact the Company via the contact details provided on the Company's website. Security holders may also subscribe to the Company's mailing list via the website.

Security holders have the option to receive electronic versions of the Notice of Meeting and Annual Report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director. and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or

committees that satisfy (a) above, disclose that fact and the processes it employees for overseeing the entity's risk management framework

The Board has chosen to not establish a Risk Committee.

The Board considers that due to the relative small size of the Company that the interests of the Company are best served by the full Board completing the functions normally delegated to a Risk committee. The Risk Management Policy contains procedures dealing with the Company's risk management systems and procedures.

The Board's Risk Management processes to oversee the management of risk will involve the Board meeting at least annually with senior management to review the Company risks and to ensure that all reasonable procedures have been put in place to mitigate the Company's risks. The Company conducted a risk and strategy review during the reporting period.

Recommendation 7.2: The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and; (b) Disclose, in relation to each reporting period, whether such a review has taken place.

The Company's risk management program is designed to ensure that the Company identifies, documents, communicates and proactively manages material risks in a systematic way. This ensures that risk management is embedded within the culture of the business. This structure enables consideration of both the long-term interests of the business as well as the day-to-day operations. It also ensures focus is given to those unlikely events with potentially catastrophic impacts to our business.

The Board will annually review the effectiveness of the Company's policies and procedures for the identification, assessment, reporting and management of risks. A review of the Company's risk management framework was undertaken during the year ended 30 June 2026, and the Board is satisfied that the framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

It is the responsibility of the Company Secretary to ensure that the Company operates within a sound structure of internal controls and procedures and within an approved risk management framework as adopted by the Committee.

Recommendation 7.3: A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Company does not have an internal audit function. This function is undertaken by the Board. The process employed to evaluate and improve the internal control process by the Board involves meeting, at the time of the external audit review, to consider and review the Company financial risk management processes and internal controls to ensure that they are adequate and functioning.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company, as a commodity extraction/ mining and exploration company, faces inherent risks in its activities, including economic, financial, environmental, operational, regulatory, social sustainability and market related risks.

The Board will regularly monitor the operational and financial performance of the Company's activities. It monitors and receives advice on all areas of operation and financial risk and implements strategies to manage these risks. The Board ensures that good internal control systems are in place and monitors compliance with these systems. Comprehensive operating and capital budgets, and cash flow forecasts, are prepared by the Managing Director.

A regular assessment of the Company's risk profile will be undertaken and the Managing Director and Company Secretary has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored

and reviewed regularly. The volatile economic environment has emphasised the importance of managing and reassessing the Company's key business risks.

The Board and senior management effectively manages the Company's capital by assessing financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board of a listed entity should: (a) have a remuneration committee which: 1. has at least three members, the 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.

The Board has chosen to not establish a Remuneration Committee. The Board considers that due to the relative small size of the Company that the interests of the Company are best served by the full Board completing the functions normally delegated to a Remuneration committee. The Remuneration Policy contains procedures dealing with the Company's remuneration.

The Board's Remuneration Policy, as set out in the Remuneration Report within the Directors' Report in the Annual Report, will be reviewed annually.

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.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. This framework, which is described in detail below, aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) aligns shareholders and executive interests;
- (iii) performance based and aligned to strategic and business objectives; and
- (iv) transparency.

The amount of remuneration for all key management personnel of the Group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors Report.

The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward.

This structure ensures that the remuneration framework best supports the strategic direction of the business. The Board assesses the appropriateness of this remuneration framework annually.

Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and (b) disclose that policy or a summary of it.

The Company's Share Trading policy specifically prohibits Directors and senior executives, employees from engaging in short term trading in the Company's securities. The full details of the equity-based scheme will be included in the Notice of Annual General Meeting every three years for the approval of shareholders. Participants will not be entitled to enter into transactions which limit the economic risk of participating in the scheme.

PRINCIPLE 9: ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES

None of the additional recommendations contained within Principle 9 apply to the Company at this point in time.