



25 October 2024

## 2024 Corporate Governance Statement

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**Southern Palladium Limited** (ASX Code: SPD and JSE Code: SDL) provides its 2024 Corporate Governance Statement.

Authorised by the Board.

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## CORPORATE GOVERNANCE STATEMENT

*This statement has been approved by the Board of the Company. The statement has been prepared as at 22 October 2024 with reference to the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.*

### 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 Board of Directors has been charged by shareholders with overseeing the affairs of the Company to ensure that they are conducted appropriately and in the interests of all shareholders. The Board defines the strategic goals and objectives of the Group, as well as broad issues of policy and establishes an appropriate framework of Corporate Governance within which the Board members and management must operate. The Board reviews and monitors management and the Group's performance. The Board has also taken responsibility for establishing control and accountability systems/processes and for monitoring senior executive performance and implementation of strategy.

The roles and responsibilities of the Board have been set out in a Board Charter which is available on the Company's website. Amongst other things the Board charter sets out the role and responsibility of the Chair of the Board.

The Board has specifically identified the following matters for which it will be responsible:

- (a) demonstrating leadership;
- (b) defining the Company's purpose and setting its strategic objectives and business plans;
- (c) approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- (d) appointing the Chair (and potentially any deputy Chair);
- (e) appointing and replacing the CEO;
- (f) approving the appointment and replacement of other senior executives of the Company and the Secretary;
- (g) overseeing the management of occupational health and safety and environmental compliance and performance;
- (h) overseeing and evaluating management's implementation of the Company's strategic direction, objectives and goals, instilling the Company's values and its performance generally;
- (i) the prudential control of the Company's finances and operations, including monitoring its financial performance and approving its operating budgets and major capital expenditure;
- (j) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (k) overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (l) satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (m) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;

- (n) whenever required, challenging management and holding it to account;
- (o) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (p) delegating appropriate powers to executive Directors and senior management to ensure the effective day to day management of the business and monitoring the exercise of these powers;
- (q) establishing and monitoring executive succession planning;
- (r) through the Chair, overseeing the role of the Secretary;
- (s) resourcing, reviewing and evaluating executive management; and
- (t) supervising compliance with the Company's corporate governance policies and monitoring their effectiveness.

The Board delegates operational authority to the Managing Director who is charged with the day to day running and administration of the Company consistent with the strategic objectives and policies as set down by the Board. Within this framework, the Managing Director is directly accountable to the Board for the performance of the management team/ external consultants.

## **RECOMMENDATION 1.2**

**A listed entity should:**

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and**
- (b) provide security holders with all material information in its possession relevant to a decision whether or not to elect or re-elect a Director.**

The Company does undertake checks before it appoints a person, or puts forward to shareholders a new candidate for election, as a Director. These checks include references as to the person's character, experience and education. The Company will also consider criminal record and bankruptcy history checks for potential new Board members where necessary or appropriate in the future.

The Company will include all material information in its possession relevant to a decision whether or not to elect or re-elect a Director in the relevant Notice of Meeting. Information relating to each of the Directors is also provided on the Company's website.

## **RECOMMENDATION 1.3**

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

The Company has established written agreements with each of its non-executive directors which set out the terms of their appointment.

Directors are not appointed for a fixed term but are subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company.

A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next annual general meeting of shareholders and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding a Managing Director) must also retire at each annual general meeting of shareholders.

Prior to their appointment potential directors participate in induction initiatives and are advised of the time commitment envisaged. They are also advised of remuneration entitlements, their right to seek independent legal advice at the expense of the Company (subject to the Chairman's approval) indemnity and insurance arrangements, and their confidentiality obligations.

The Company also maintains written agreements with each of its senior executives which set out a description of their position, duties and responsibilities and the terms of their appointment.

## 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 has been appointed on the basis that he will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

All Directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

## 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.<sup>31</sup>**

The Company has established a Diversity Policy which is available on the Company's website.

The Company is committed to promoting diversity within the Company and recognises the value of diversity in achieving the Company's corporate objectives and maximising value to shareholders.

To this end, the Company aims to promote and implement diversity strategies:

- (a) in its employment practices, to provide diversity in employees' experiences, perspectives, professional skills, gender identity, age, disabilities, sexual orientation, ethnicity, marital or family status, religious beliefs, socio-economic background and cultural background; and**
- (b) across all components of the Company's business practices, including through its education programs, selection programs for consultants, mentoring programs and community and corporate social responsibility initiatives.**

The Company considers that diversity within the Company will improve the quality of decision-making, productivity and teamwork amongst its employees. The Company recognises that organisational performance is linked to workplace diversity. Through fostering an inclusive environment which recognises a variety of quality employees, the Company aims to improve employee retention, to embrace different perspectives and to enhance the Group's reputation.

By adopting this Policy the Company is committing to act on its core value and commitment of respecting all people, their ideas and cultures.

The Board has not set measurable objectives specifically for achieving gender diversity in the composition of its board, senior executives and workforce generally however the Company's diversity strategies include:

- (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board to guard against any conscious or unconscious biases that might discriminate against certain candidates;
- (b) reviewing succession plans to ensure an appropriate focus on diversity;
- (c) identifying specific factors to be taken into account in recruitment and selection processes to encourage diversity;
- (d) developing and implementing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including workplace development programs, mentoring programs and targeted training and development;
- (e) developing and implementing programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees so that, over time, they will be prepared for senior management and Board positions;
- (f) developing a culture in which discrimination, harassment, vilification and victimisation are not tolerated;
- (g) developing a culture which takes account of the domestic responsibilities of employees and offers flexibility in work arrangements to enable employees to meet those responsibilities;
- (h) undertaking gender pay equity audits to gain a stronger insight into the effectiveness of this Policy;
- (i) providing opportunities for employees on extended parental leave to maintain their connection with the Company; and
- (j) any other strategies the Board develops from time to time.

At 30 June 2024 there was 1 woman on the Board of the Company (who is also the Chair of the Board of the Company's 70% operating subsidiary in South Africa – Miracle Upon Miracle Investments Proprietary Limited). The Company currently engages 3 women in senior executive positions.

#### **RECOMMENDATION 1.6**

**A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and**
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

The Board has adopted a policy setting out Performance Evaluation Processes for the Board, Directors, Committees and Senior Executives. A copy of this policy is available on the Company's website.

The Board is responsible for establishing criteria for Board membership, reviewing Board performance, and identifying and nominating directors with the appropriate expertise and experience. The Board has an established process of self-review and evaluation which involves regular and on-going consideration of all the Board's key areas of responsibility and accountability.

The Board believes that this approach is appropriate given its size and the nature of the Company's operations.

The Board did not undertake a formal performance evaluation during the current reporting year.

## **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 Board has adopted a policy setting out Performance Evaluation Processes for the Board, Directors, Committees and Senior Executives. A copy of this policy is available on the Company's website.

Each year the Board will review and establish the Company's performance objectives based on qualitative and quantitative factors. The objectives established become the performance targets for the Managing Director for that year. The performance of the Managing Director is assessed annually by the full Board at a duly constituted Director's Meeting against these pre-determined performance objectives.

The Managing Director will, in consultation with the Board, establish the performance objectives of senior executives of the Company based on the desired business outcomes.

Annual performance reviews of the Company's senior executives will be undertaken by the Managing Director and/or the Board based on individual performance measures. The Managing Director will make recommendations to the full Board on the remuneration of these executives which are reviewed by the Board.

No formal performance evaluation of senior executives was undertaken for the year ended 30 June 2024.

## **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:**
  - (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**

The Board has approved a Nomination and Remuneration Committee Charter which is available on the Company's website.

Two members of the original Nomination and Remuneration Committee have resigned as Directors and accordingly the Board is now in the process of reviewing the Charter for this Committee and proposes to re-establish this committee in the near future.

## **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.**

A formal Board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership has not yet been prepared.

The Nomination and Remuneration Committee will assist and advise the Board on:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for Directors;
- (c) the necessary and desirable competencies of the Non-executive Directors;
- (d) the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- (e) the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- (f) the appointment and re-election of Directors; and
- (g) ensuring there are plans in place to manage the succession of the CEO and other senior executives,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

## **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, association or relationship in question and an explanation of why the Board is of that opinion; and**
- (c) **the length of service of each director.**

At 30 June 2024 the following Directors were considered to be independent Directors:

Mr Roger Baxter: Independent Non Executive Chair (appointed Executive Chairman on 8 October 2024)

Mr. Mike Stirzaker: Independent Non-Executive Director

Mr. Robert Thomson: Independent Non-Executive Director

Mr. Geoffrey Hillier: Independent Non-Executive Director (resigned 10 June 2024)

The Company determines Directors to be independent where they are non-executive and being free of any business or other relationship which could materially interfere with the independent exercise of their judgement.

The composition of the Board is subject to periodic review. The skills, experience and expertise of each Director are set out in the Financial Report of the Company.

The Board observes a number of practices to ensure that independent judgement is applied when considering the business of the Board:

- (i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.
- (ii) Directors having a conflict of interest with an item for discussion by the Board must not participate in the consideration of or the vote in respect of that matter.

Details of each Directors experience and length of service can be found on the Company's website and are also reported in the Company's Financial Report on an annual basis.

#### **RECOMMENDATION 2.4**

##### **A majority of the Board of a listed entity should be independent directors.**

At 30 June 2024, a majority of the Board were not independent Directors. Following the resignation of Mr Geoff Hiller as a Director on 10 June 2024 and the appointment of Ms Lindi Nkosi-Thomas on that same date, a total of 3 out of 6 were considered to be independent.

Effective 8 October 2024 Mr Roger Baxter was appointed as Executive Chairman and is no longer considered to be independent due to the executive nature of his role.

The Board has focussed on selecting Directors with the most appropriate skills and experience to advance the development of the Company's Bengwenyama Project. The Board is conscious of the need to act in the best interests of the Company as a whole and does not believe that its decisions are biased towards the interests of management or any other person or group with whom a non-independent Director may be associated.

#### **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 Mike Stirzaker acted as Interim Chairman 5 May 2023 to 31 December 2024. Mr. Stirzaker is regarded as an independent Director.

Mr Roger Baxter was appointed as an independent non-executive Chairman on 1 January 2024.

At 30 June 2024 the chair of the Board was an independent director and was not the same person as the CEO of the Company.

On 8 October 2024 Mr Roger Baxter took on the role of Executive Chairman of the Company. Mr Baxter's role as Executive Chairman will see him focussing on investor and government relations which complements the role of Mr Johan Odendaal as Managing Director who is overseeing the more technical aspects of advancing the Company's 70% interest in the pre-development platinum group metal Bengwenyama Project. Due to his new executive role with the Company Mr Baxter ceased to be regarded as an independent Director.

Accordingly, at the date of this statement, the chair of the Board was not an independent Director and chair was not the same person as the CEO of the Company.

The Board is conscious that an independent chair can contribute to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board. The Board believes that the composition of the Board reflects the most appropriate skills and experience to advance the development of the Company's Bengwenyama Project. Equally the Board believes that an appropriate culture has been established to ensure that robust discussion is encouraged and that decisions are made in the best interests of the Company as a whole at all times.



The Board is equally satisfied that there is an appropriate degree of separation between those charged with managing the Company and those responsible for overseeing the managers, particularly given that the scope of Executive Chairman's role is expected to be limited to investor and government relations.

#### **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 provides new Directors with an induction package including copies of the Board Charter, the Constitution of the Company and Company and Board policies and procedures.

Directors are encouraged to pursue appropriate professional development opportunities to develop and maintain their skills and knowledge in order to perform their role as Directors effectively.

All Board members have access to professional independent advice at the Company's expense, provided they first obtain the Chairman's approval, with such approval not being withheld unreasonably.

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

#### **RECOMMENDATION 3.1**

**A listed entity should articulate and disclose its values.**

The Company's core values and commitments are set out in the Company's Code of Conduct:

- (a) Integrity – we act honestly and with integrity in all our dealings, both internally and externally. We commit to only dealing with business partners who demonstrate similar ethical and responsible business practices.
- (b) Respect – we respect all people, their ideas and cultures and our words and actions must reflect this respect.
- (c) Health and Safety – we are committed to providing and maintaining a healthy and safe and non-discriminatory working environment to safeguard the health and safety of our employees, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.
- (d) Community Standards – we act in a manner consistent with reasonable expectations of our investors and the broader community.
- (e) Environment – we are committed to acting responsibly towards the environment.

#### **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.**

The Company has a Code of Conduct which requires its Directors, employees and contractors to observe the highest standards of behaviour and business ethics in respect of its operations.

The Board has stipulated that the Secretary must notify it of any material breaches of the Code.

The Company has also adopted a Conflict of Interest Policy which is disclosed on the Company's website. The Company is committed to a high standard of corporate conduct and governance. This includes ensuring that Directors disclose all conflicts and potential conflicts of interest to the Board of Directors.

### **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.**

The Company has a Whistleblower Policy which is disclosed on the Company's website.

The Board has stipulated that it should be informed of any material incidents reported under the Policy, subject to the confidentiality provisions of the Policy.

### **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 established a formal Anti-Bribery and Corruption Policy which is disclosed on the Company's website.

The policy stipulates that the Secretary must notify the Board of any material breach of this Policy.

## **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 established an Audit and Risk Committee which is responsible for ensuring compliance with all appropriate accounting standards and the integrity of related reporting obligations.

The overriding objective of the Committee is to provide an independent and objective review of financial and other information prepared by the Company, in particular information that is to be provided to members and/or filed with regulators. The Committee will assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- (a) the integrity of the Company's financial reporting systems, internal and external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Company's external auditors;
- (c) the performance of the external audit functions and review of their audits;
- (d) the effectiveness of the Company's system of risk management and internal controls; and
- (e) the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

During the year the Audit and Risk Committee was comprised of Mr. Mike Stirzaker (Committee Chairman), Mr. Rob Thomson and Mr. Geoff Hiller (appointed to the Committee on 26 September 2023 and resigned as a Director on 10 June 2024) all of whom were considered to be independent Directors.

The Company's Audit and Risk Committee Charter is disclosed on the Company's Website.

The number of times the Committee met throughout the reporting period and the individual attendances of the members at those meetings is set out in the Directors Report of the 2024 Annual Report.

The Board is currently reviewing the Audit and Risk Committee Charter and the composition of this committee in light of the composition of the Board and the responsibilities of each of the Directors.

#### **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 Company's Managing Director and its Consulting Accountant report in writing to the Board on a yearly and half-yearly basis to confirm 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 Company did not during the period under review employ or engage the services of a CFO however it did engage an external independent qualified chartered accountant to prepare the entity's financial statements.

#### **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 is required to release quarterly cashflow statements to the market which are not audited or reviewed by an external auditor. These cashflow statements are reviewed by the Audit and Risk Committee prior to their release to the market.

## **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

### **RECOMMENDATION 5.1**

**A listed entity should:**

**A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.**

The Board has approved a Disclosure and Communication Policy which is reproduced on the Company's website.

The Company, its Directors and staff are aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market.

The Company Secretary is responsible for communication with ASX in relation to listing rule matters and also for the general administration of this Policy.

### **RECOMMENDATION 5.2**

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

The Company Secretary ensures that the Board receives copies of all material market announcements promptly after they have been made.

### **RECOMMENDATION 5.3**

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

The Company Secretary ensures any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation.

## **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.**

Information about the Company and its governance are available on the Company's website. The Company's website provides detailed corporate information and has a specific section relating to corporate governance.

### **RECOMMENDATION 6.2**

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

The Company recognises the right of shareholders to be informed of matters, in addition to those prescribed by law, which affect their investments in the company.

The Company has not established a formal investor relations program.

As a matter of practice, information is communicated to the shareholders through compliance with ASX Listing Rules and the Corporations Act 2001, by way of announcements to the ASX, media releases, the Annual Report, Half-Yearly Report, the Annual General Meeting and investor presentations that may be undertaken from time to time. The Company maintains a website which provides a description of the Company's projects and all material announcements released to the ASX.

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via an email in a timely manner.

### **RECOMMENDATION 6.3**

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

The Board encourages active participation by shareholders at each Annual General Meeting, or other general meetings of the Company wherever possible.

The Company does not have formal policies or processes in place to facilitate or encourage participation at shareholder meetings. The Company will despatch a Notice of Meeting and Explanatory Statement to shareholders in accordance with statutory requirements. In addition details of any shareholder meeting will be posted on the Company's website.

At any meeting of shareholders, shareholders are encouraged to ask questions of the Board in relation to the matters to be considered at such meeting wherever possible and where appropriate relating to the operation of the Company.

### **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.**

The Company does ensure that all substantive resolutions at all shareholders meetings are decided by a poll rather than by a show of hands.

### **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 provides shareholders with the option to receive communications from, and send communications to, the entity and its security registry electronically.

## **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 employs for overseeing the entity's risk management framework.**

The Board has established an Audit and Risk Committee which is responsible for ensuring compliance with all appropriate accounting standards and the integrity of related reporting obligations.

The Audit and Risk Committee Charter recognises that the primary objective of risk management is to ensure that the Company appropriately manages its business and operating risks. This promotes stakeholder confidence in dealing with or investing in the Company. The Board:

- (a) recognises that effective management of risk is an integral part of good management and vital to the continued growth and success of the Company;**
- (b) recognises that the Company should implement formal and rigorous processes to independently verify and safeguard the integrity of its corporate reporting;**
- (c) is responsible for the oversight of the risk management and control framework of the Company, including the development of risk profiles as a part of the overall business and strategic planning process; and**
- (d) has implemented a policy framework to ensure that the risks of the Company and its related bodies corporate are identified, analysed, evaluated, monitored and communicated within the organisation on an on-going basis, and that adequate controls are in place and functioning effectively.**

During the year the Audit Committee was comprised of Mr. Mike Stirzaker (Committee Chairman), Mr. Rob Thomson and Mr. Geoff Hiller (appointed to the Committee on 26 September 2023 and resigned as a Director 10 June 2024) all of whom were considered to be independent Directors.

The Company's Audit and Risk Committee Charter is disclosed on the Company's Website.

The number of times the Committee met throughout the reporting period and the individual attendances of the members at those meetings is set out in the Directors Report of the 2024 Annual Report.

The Board is currently reviewing the Audit and Risk Committee Charter and the composition of this committee in light changes to the Board and the responsibilities of each of the Directors on the Board.

## **RECOMMENDATION 7.2**

**The board or a committee of the board should:**

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and**
- (b) disclose, in relation to each reporting period, whether such a review has taken place.**

The Board has approved a Risk Management Policy which is disclosed on the Company's website.

The Company strives to identify, communicate, and manage risks in a proactive and effective manner throughout the life-of-mine as risk management is essential for good corporate governance and sound management practices. The Company recognises that risks may impede our ability to achieve our objectives and risk management is important in protecting our employees, stakeholders, operations, finances, reputation, assets, and the environment. Management is committed to embedding risk management into its business processes and activities to reduce the likelihood and consequences of adverse effects to acceptable levels. The Company aims to maximise opportunities and minimise adversity through the effective management of risks associated with our activities and operations.

Management of the Company are required to ensure that Occupational Health and Safety practices and Environmental practices are of the highest standard.

Reports are presented to the Board by the Managing Director on a regular basis. The reports encompass matters including actual financial performance against budgeted forecasts, workplace health and safety, legal compliance, corporate governance, strategy, quality assurance and standards, human resources, industry and market information, operational developments and environmental conformance.

Reports are prepared and submitted by the Managing Director at each Board meeting in relation to the overall financial position and performance of the Company.

The Board has not formally reviewed the entity's risk management framework for the year ended 30 June 2024.

The Managing Director reviews and confirms to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects twice annually when half-yearly and year-end financial statements are prepared.

### **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 risk management and internal control processes.**

In light of the nature and extent of the Company's operations and activities, the Company has not established a formal internal audit function.

The Board continuously reviews the activities of the Group to identify key business and operational risks and has implemented policies and procedures to address such risks and to establish appropriate internal control processes.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

### **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 recognises its corporate responsibility to all stakeholders and the continual need for sustainable, harmonious operations. The Company and its employees promote best practice in terms of community development, environmental protection and safety management in all its operations. The Company, as an exploration and development company, faces inherent risks in its activities, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for its Shareholders. To manage and mitigate these inherent risks, the Company has in place a suite of policies and procedures to ensure that it operates within a robust risk management framework and that sustainable and responsible business practices are ongoing.

The Company has adopted a Sustainable Development Policy which is available on the Company's website.

The Company seeks to operate in a manner that represents a platform for responsible and ethical investment. We integrate sustainable development principles into business strategy and planning, management systems, and decision-making processes to enhance stakeholder value, maintain our social licence to operate, and leave a lasting and positive legacy for our host communities. The results will be an appropriate balance of the Company's requirements to perform financially, to manage the environment responsibly, and to ensure social benefit.

The Company has also adopted a Communities Policy which is available on the Company's website.

In this regard the Company seeks to operate in a manner that includes a focus on building relationships with the communities in which it operates and to enrich their lives through our participation. We seek to establish enduring relationships that uphold the principles of human rights and are characterised by mutual respect, active partnership and long-term commitment that ensure that long-term sustainable benefits can be maximised for local communities, regional and national stakeholders and the company.

The Company has also adopted an Environmental Policy which is available on the Company's website. In accordance with this policy the Company strives to use resources sparingly as we are committed to responsible stewardship of natural resources and the environment for present and future generations. We aim to operate in an innovative manner that prevents, mitigates, and manages the effects our operations have on the environment and biodiversity, and the communities in which we operate.

The Company has also an Occupational Health and Safety Policy which is available on the Company website. Our vision for Occupational Health and Safety is aligned to our principal value, "Health and Safety comes first in everything we do". The intended outcomes of applying this policy are to ensure the fulfilment of our compliance obligations, the appropriate control of health and safety related risks and opportunities, and the continual performance improvements.

## **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, 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.

The Board has established a Nomination and Remuneration Committee.

The Board has approved a Nomination and Remuneration Committee Charter which is available on the Company's website.

Two members of the original Nomination and Remuneration Committee have resigned as Directors and accordingly the Board is now in the process of reviewing the Charter for this Committee and proposes to re-establish this committee in the near future.

## **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.**

In accordance with good corporate governance practice, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-executive Directors are remunerated on a fixed fee basis for their time, commitment and responsibilities as part of an aggregate fee pool approved by Shareholders. Fees paid to Non-Executive Directors cover all activities associated with their role on the Board and any sub-committees. Remuneration for Non-Executive Directors is not linked to the performance of the Company. There are no arrangements for payment of retirement benefits to non-executive directors.

Further details regarding the Company's remuneration policies and practices are contained in the Remuneration Report in the 2024 Annual Report.

Where appropriate, the Managing Director reviews the remuneration of employees/consultants within the Company which are set at a level to attract and retain suitably qualified staff/consultants to enable the Company to achieve its exploration and corporate objectives. In normal circumstances, the level of remuneration paid to employees/consultants reflects the competitive employment market in the resource sector.

Remuneration packages are reviewed annually by reference to the Company's performance, each employee's performance and comparable information from industry sectors and other similar listed companies.

The broad remuneration policy objective of the Company is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and are designed to attract, retain and motivate executives of the highest possible quality and standard in the Company's prevailing circumstances to enable the organisation to succeed.

## **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 does not currently offer an equity-based remuneration scheme.

The Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

The Company's Securities Trading Policy prohibits Directors, Senior Executives and employees from entering into margin lending arrangements in relation to the Company's securities.

The Company's Securities Trading Policy also prohibits Directors, Senior Executives and employees from engaging in short term or speculative trading (including short selling) in the Company's securities or in financial products associated with the Company's Securities.

The Company's Securities Trading Policy specifically prohibits Directors, Senior Executives and employees from:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
  - (i) has not vested; or
  - (ii) has vested but remains subject to a holding lock; or
- (b) deal at any time in financial products associated with the Company's Securities, except for the type of dealing permitted by law or a permitted dealing under the policy.