

ASX CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES REPORT

| No. | PRINCIPLES AND RECOMMENDATIONS (Summary) | COMPLIES | COMMENT |
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| 1. | LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | |
| 1.1 | A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management. | Yes | The Board has adopted a Board Charter, which discloses the specific responsibilities of the Board, including detailing those responsibilities which are reserved expressly to the Board and those which are delegated to management. The Company's Board Charter is published on the Company's website. |
| 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 on whether or not to elect or re-elect a director. | Yes | The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a director. In addition, the Company's Nomination Committee Charter establishes accountability for requiring appropriate checks of potential directors to be carried out before appointing that person or putting them forward as a candidate for election, and this will be undertaken with respect to all future appointments. |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | Yes | Each Director has a written agreement setting out the terms of their appointment. |
| 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. | Yes | The Company Secretary is accountable to the Board in relation to matters to do with the proper functioning of the Board. |
| 1.5 | A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives. | No | The Company recognises the importance of equal employment opportunity. However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the |

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| | | | business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required. |
| 1.6 | <p>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;</p> <p>(b) and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | No | The Board has not adopted any formal procedures for the review of the performance of the Board. However to date, the Board has applied an on-going self-evaluation process to measure its own performance. The Company anticipates that this recommendation will become an area of focus as the Company's operations mature. |
| 1.7 | A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | No | The Board has not adopted any formal procedures for the review of the performance of senior executives. The Board will, as required, adopt in the future an assessment process to measure senior executive performance, with outcomes utilised to determine senior executive remuneration. |
| 2. | LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | |
| 2.1 | <p>The Company should have a Nomination Committee which has at least 3 members a majority of whom are independent and is chaired by an independent director.</p> <p>If it does not have a nomination committee, the Board should 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.</p> | No | <p>The Board has not established a separate nomination committee. Given the scale of the Company's operations, it is anticipated that the full Board will be able to continue adequately discharge the functions of a Nomination Committee for the short to medium term. The Board will consider establishing a Nomination Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company has adopted a Nomination Committee Charter and Remuneration Committee Charter, which includes specific responsibilities to be carried out by those committees when they are established.</p> <p>The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.</p> |
| 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. | No | The Board has been specifically constituted with the mix of skills and experience that the Company requires to move forward in implementing its business objectives. The composition of the Board and the performance of each Director will be reviewed from time to time to ensure |

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| | | | <p>that the Board continues to have a mix of skills and experience necessary for the conduct of the Company's activities as the Company's business matures and evolves.</p> <p>Currently, the Company does not consider that a specific Board skills matrix would add any separate or additional value or benefit to the Company or its shareholders. The Board will re-consider whether a formal Board skills matrix is appropriate in due course.</p> |
| 2.3 | <p>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 which may otherwise be seen as a conflict to the director's obligation to the company 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 for each director</p> | Yes | <p>Details of the Directors and their independence status are as follows:</p> <p>Michael Tilley Mr Tilley is a founding director and current chairman of Terrain Capital Limited, which has provided corporate advisory services to the Company with respect to the Offer. Despite this, the Company considers Mr Tilley to be independent and that on and from listing as he has no equity interest and is not paid by Terrain Capital Limited; Mr Tilley will be able to bring an independent judgment to bear on issues before the Board.</p> <p>Benjamin Bell Applying the Independence Factors, Mr Bell will not be independent because he is the managing director of Australian Mines, a substantial holder of the Company as set out in section 2.11.</p> <p>Yew Fei Chee Applying the Independence Factors, Mr Chee will not be independent because he was nominated by CNG Global Ltd, a substantial holder of the Company and because he is also likely to be a substantial holder of the Company.</p> <p>Ching Hong Loong Applying the Independence Factors, Mr Loong will not be independent because he was nominated by YF Chee Holdings Sdn Bhd and he is also likely to be a substantial holder of the Company.</p> <p>Kok Hou Leong Applying the Independence Factors, Mr Leong will not be independent because he was nominated by YF Chee Holdings Sdn Bhd.</p> |
| 2.4 | <p>A majority of the board of a listed entity should be independent directors</p> | No | <p>As disclosed in the response to Recommendation 2.3 above, one of the Directors is considered to be independent.</p> <p>However, the Company is confident that current composition of the Board is optimal for transitioning the Company into its next phase of operations, and is therefore in the best interests of the Company and its shareholders. The Board will review the balance of independence on the Board on an on-going basis, and will implement changes at its discretion</p> |

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| | | | having regard to the Company's growth and changing management and operational circumstances. |
| 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 | Yes | Mr Tilley is considered to be independent for the reasons discussed above. |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | No | Commensurate with the Board's small size and the scale of the Company's operations, the induction process for new directors is currently informal. Directors are supported in undertaking their own continuing professional development. |
| 3. | PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING | | |
| 3.1 | A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it. | Yes | The Company has adopted a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in business. All of the Company's directors and employees are required to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. The Code of Conduct is disclosed on the Company's website. |
| 4. | SAFEGUARD INTEGRITY IN FINANCIAL REPORTING | | |
| 4.1 | The Board of a listed entity should have an audit committee which consists of at least 3 members all of whom are non- executive directors and a majority of whom are independent directors and the committee should be chaired by an independent director who is not the chair of the board. If it does not have an audit committee, the Board should 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. | No | The Board has not established a separate audit committee. Given the present size of the Company and the scale of its operations, the Board has decided that the full Board can adequately discharge the functions of an audit committee. The Board will establish an Audit Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted an Audit and Risk Committee Charter, which includes specific responsibilities relating to audit and risk, and which the Board uses as a guide when acting in the capacity of the Audit Committee. The Company's Audit and Risk Committee Charter is available on the Company's website. |

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| 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. | Yes | The Board will continue to require a conforming declaration from the relevant key executive or executives before it approves the entity's financial statements for each financial period, consistent with practice to date. |
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | Yes | The Company's external auditor will be invited to attend all Annual General Meetings of the Company and will be available to answer questions from security holders relevant to the audit. |
| 5. | MAKE TIMELY AND BALANCED DISCLOSURES | | |
| 5.1 | A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it. | Yes | The Company has a Continuous Disclosure Policy which includes processes to ensure compliance with ASX Listing Rule 3.1 disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. The Continuous Disclosure Policy is disclosed on the Company's website. |
| 6. | RESPECTS THE RIGHTS OF SHAREHOLDERS | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | Yes | The Company has established a website on which it maintains information in relation to corporate governance, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details. |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Yes | The Company has adopted a Shareholder Communications Policy, which establishes principles to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Shareholder Communications Policy is disclosed on the Company's website. |

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| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Yes | The Company encourages shareholders to participate in general meetings of the Company as a means by which feedback can be given to the Company and allocated scheduled question time at meetings of Shareholders to facilitate participation at those meetings. |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Share Registry Pty Ltd at www.automic.com.au . |
| 7. | RECOGNISE AND MANAGE RISK | | |
| 7.1 | The Board should establish a risk management committee made up of at least 3 members, a majority of whom are independent directors, and chaired by an independent director. If it does not have a risk committee, the Board should disclose that fact and the processes it employs for overseeing the entity's risk management framework. | No | The Board has not established a separate risk committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a risk committee for the time being. The Board will establish a Risk Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company's Audit and Risk Committee Charter includes principles to guide the Board's oversight of the Company's risk function. In addition, the Company has adopted a Risk Management Policy to assist in guiding the Board to manage material business risks. The Risk Management Policy is available on the Company's website. |
| 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 (b) disclose, in relation to each reporting period, whether such a review has taken place. | Yes | The identification and management of risk has been continually at the forefront of the Company's recent activities. Moving forward, in accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis and will disclose in its annual report or elsewhere as appropriate whether such review has taken place. |
| 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 | Yes | Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being. The risk management functions employed by the Board are summarised above. |

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| | (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. | | |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | Yes | The Company has disclosed all material risks facing the Company in Sections Error! Reference source not found. and Error! Reference source not found. of its IPO Prospectus, including exposure to economic, environmental and social sustainability risks. The Company will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate. |
| 8. | REMUNERATE FAIRLY AND RESPONSIBLY | | |
| 8.1 | The board should establish a remuneration committee which has at least three members, a majority of whom are independent and which is chaired by an independent director. 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 | No | The Board has not established a separate remuneration committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a remuneration committee for the time being. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted a Remuneration Committee Charter, which includes principles for setting and reviewing the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Until such time as the Remuneration Committee is established, the functions of this committee will continue to be carried out by the full Board. |
| 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. | Yes | Each director has entered a separate employment or consultancy agreement with the Company. The remuneration of directors and senior executives is generally reviewed annually. As discussed under Recommendation 8.1 above, a Remuneration Committee Charter is in place, and the Board (in its capacity as the Remuneration Committee) will consider its approach to remuneration in due course having regard to the Remuneration Committee Charter. |
| 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 | N/A | The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed. |

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| | (b) disclose that policy or a summary of it. | | |
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Adopted by the Board on 13 September 2019