

# Corporate Governance Statement

## Polymetals Resources Limited

29 September 2023

This Corporate Governance Statement sets out the key features of the governance framework and reports of Polymetals Resources Limited (**POL**, the **Company**) in accordance with ASX's Corporate Governance Council's *Corporate Governance Principles and Recommendations* (the **ASX Recommendations**).

The Board of Directors of POL is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders, by whom they are elected, and to whom they are accountable.

The Company's practices are largely consistent with the ASX Recommendations, and the Board has made appropriate statements reporting on the adoption of the ASX Recommendations. Where the Company's corporate governance practices do not correlate with the practices recommended by the CGC, the Company is working towards compliance; however it does not consider that all practices are currently appropriate for the Company due to the size and scale of its operations. The Board has offered full disclosure and reasons for the adoption of the Company practices, in compliance with the "if not, why not" regime, and these are summarised in Appendix 4G and this Corporate Governance Statement.

The Board is of the view that with the exception of the departures from the ASX Recommendations noted below it otherwise complies with all of the ASX Recommendations.

This statement is current as at 29 September 2023 and has been approved by the Board of POL. The information contained in this statement should be read conjunction with the Company's 2023 Annual Report.

## 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### 1.1 Role of Board and Management

The Board is responsible for overseeing the management of the Company. The Board provides input that assists in identifying and understanding emerging trends and issues; setting the broad framework within which the strategic and business plans will be prepared each year; recommending any significant shifts in the broad strategic direction of the Company; and reviewing, developing and approving the Company's long-term strategic plan and ensuring the Company develops annual business plans to achieve its strategic objectives.

## 1.1 Role of Board and Management (continued)

Without limiting the general role of the Board, the principle functions and responsibilities include the matters set out below, subject to delegation to the Chief Executive Officer (**CEO**) and senior management as specified elsewhere in this statement, or as otherwise appropriate:

- overseeing the Company's operations including its control and accountability systems;
- appointing and removing the Chief Executive Officer, or their equivalent, as well as evaluating their performance;
- ratifying the appointment and, where appropriate, the removal of senior executives, including the Chief Financial Officer and the Company Secretary;
- monitoring, reviewing and challenging senior management's performance and implementation of strategy;
- ensuring appropriate resources are available to senior management;
- approving the Company's corporate governance framework;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestments;
- monitoring the financial performance of the Company;
- appointing the External Auditor (based on recommendations of the Audit and Risk Management Committee);
- monitoring compliance with the Company's legal obligations, including those relating to the environment, native title, cultural heritage and occupational health and safety; and
- making a regular assessment of whether each Non-Executive Director is independent in accordance with the relevant policy.

The Board has delegated to the CEO day-to-day responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. The Board also delegates to the CEO and senior management the responsibilities for the day-to-day activities leading toward achievement of the Company's strategic direction with agreed boundaries and authority limitations.

## 1.2 Information Regarding Election and Re-election of Director Candidates

The policies and procedures for the selection and appointment of new Directors is that candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant skills, qualifications, experience and achievements, compatibility with other Board members, and credibility within the Company's scope of activities. Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders.

## 1.2 Information Regarding Election and Re-election of Director Candidates (continued)

At each Annual General Meeting the following Directors automatically retire and are eligible for re-appointment:

- any Director who has been elected in the office for a period in excess of three consecutive years or until the third Annual General Meeting following her/his appointment, whichever is longer, without submitting him/herself for re-election;
- any Director who was appointed by the Directors during the year to fill a casual vacancy or as an addition to the existing Directors; and
- one-third of the Directors or, if their number is not a multiple of three, then the greatest of one or the number nearest to but not exceeding one-third (if the Company has a Managing Director, they are exempt from this requirement).

## 1.3 Written Contracts of Directors and Senior Executive Appointments

New Directors receive a letter of appointment and a deed of indemnity, insurance and access. Non-Executive Directors are not appointed for fixed terms. Executive Directors have written service contracts which set out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Each senior executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of senior executives which are key management personnel are summarised within the Remuneration Report in the Annual Report which can be accessed on the Company's website at [www.polymetals.com](http://www.polymetals.com)

## 1.4 Company Secretary

The Company Secretary is accountable directly to the Board through the Chairman, responsible for all matters to do with the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

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 copy of the Constitution is available on the Company's website under Corporate Governance, and the details and experience of the Company Secretary are set out within the Directors' Report contained in the Annual Report.

## 1.5 Diversity

The Board has set up a formal Diversity Policy which can be accessed on the Company's website under Corporate Governance. The Policy outlines the general purpose and principles, measurable objectives targets and key performance indicators to be achieved when the Board considers the Company to be of sufficient size and scale, given the nature of its activities, for achieving gender diversity.

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company respects and values the competitive advantage of diversity (which includes, but is not limited to: gender, age, disability, ethnicity, marital or family status and religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals.

## 1.5 Diversity (continued)

However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measureable objectives, having regard to the nature and scale of its activities.

The Company currently has less than 10 direct employees, and has no female Directors, executives or employees.

## 1.6 Board Reviews

The Board did not conduct a performance evaluation during the last 12 months and has not adopted a performance evaluation policy.

The Company believes that the small size of the Board and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. In the normal course of events the Board reviews performance of the management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.

## 1.7 Management Reviews

The Board has not established a separate Remuneration Committee. In the absence of a formally constituted Remuneration Committee, the full Board is responsible for the proper oversight of the Board, the Directors and senior management. The Board considers that given the size of the Company, no efficiencies or other benefits would be gained by establishing a separate committee.

No reviews were undertaken during the year.

# 2 STRUCTURE THE BOARD TO ADD VALUE

## 2.1 Nomination Committee

The Board is of the view that the Company is not currently of the size to justify the formation of a separate nomination committee. The Company has established a Nomination, Remuneration and HR Committee which currently performs the functions of the nomination committee and where necessary will seek the advice of external advisors in relation to this role. The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a separate nomination committee to assist the Board in relation to the appointment of Directors and senior management as required.

## 2.2 Board Skills Matrix

Maintaining a balance of experience and skills is an important factor in the Board composition. The Board of the Company is currently comprised of seasoned industry professionals with combined qualifications, skills and experience. The Company considers the current Board of Directors to provide the following matrix of skills:

- publicly-listed, junior mining industry corporate experience;
- mineral exploration, resource definition and project development expertise;
- corporate legal expertise;
- capital raising expertise and experience;
- corporate strategy development expertise;
- financial management and financial accounting experience;
- mining industry joint venture and farm-in experience;
- corporate M&A experience; and
- investor communication and presentation expertise.

Details of the current Directors, their skills, experience, qualifications and record of attendance at meetings are included in the Directors' Report of the Company's Annual Report each year.

## 2.3 Disclose Independence and Length of Service

Recognising the importance of the appropriate balance between independent and non-independent representation on the Board, the Company has developed a formal "Assessing the Independence of Directors" Policy, which can be accessed from the Company's website under Corporate Governance.

There are currently three (3) independent Non-Executive Director on the Board, being Alistair Barton, Matthew Gill and Jess Oram, as defined in accordance with the ASX Recommendations. Executive Chairman David Sproule is not currently considered independent for various reasons, including being a substantial securityholder of the Company.

The Board will consider appointing further independent Directors in the future, when the Company is of sufficient size and having regard to the scale and nature of its activities.

The length of service and independent status of each Director can be found within the Directors' Report in the Annual Report.

## 2.4 Majority of Directors to be Independent

Refer to Recommendation 2.3.

## 2.5 Chair Should Be Independent

The Executive Chairman, Mr David Sproule, is not considered to be independent under the ASX Recommendations, being a substantial securityholder of the Company. The Company is of the view that the size and scale of its current operations do not warrant the appointment of an independent Chairperson and that non-compliance with this recommendation will not be detrimental to the Company or its shareholders.

## 2.6 Induction and Personal Development

The Company does not have a formal structured induction program for Directors. However, to familiarise themselves with the Company and its practices and procedures, candidates are availed of the opportunity to spend time with the Chairman, the CEO, the Company Secretary and /or the CFO in order to gain an understanding of the Company's history, range of projects, capital and shareholding base, financial status and its strategic and business plans.

Via the Company Secretary, POL will also make available upon request:

- any past minutes of Director's meetings of the Company;
- any existing policies or procedures of the Company which are in place;
- any minutes of meeting of shareholders of the Company;
- copies of the audited financial statements of the Company since 2007; and
- any other information, finance or otherwise, about the affairs of the Company that Directors request.

The Company encourages and recommends all Non-Executive Directors to attend relevant external seminars, conferences and educational programs for expanding their knowledge base and professional skills. Directors also have the right, in connection with the discharge of their duties and responsibilities, to seek independent professional advice at the Company's expense in accordance with the agreed procedure set up by the Board. For a new Director, the Company Secretary will provide the following documents:

- a Letter of Appointment including appointment terms, Directors' duties and obligations, and Directors' entitlements;
- a Consent to Act, which requires a formal written consent to become a Director, containing the minimum information required by the Company; and
- a Deed of Indemnity, Insurance and Access.

Directors are expected to have sufficient time available to dedicate to the performance of their duties, including the Board Committees.

## 3 ACT ETHICALLY AND RESPONSIBLY

### 3.1 Code of Conduct

The Board has established a Code of Conduct, as well as an Anti-bribery and Corruption Policy and a Whistleblower policy for the Directors, management and employees of the Company. These Codes require that Directors, management and employees maintain high standards of integrity by ensuring that all business activities are conducted legally and ethically in compliance with the letter and spirit of both the law and Company policies. Copies of these policies can be accessed on the Company's website under Corporate Governance.

## 4 SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### 4.1 Audit Committee

The Board has established an Audit and Risk Management Committee.

The Audit and Risk Management Committee is currently chaired by an independent Director, and the Committee members are currently considered to be independent Directors.

The experience and qualifications of members of the Audit and Risk Management Committee are detailed in the Remuneration Report which forms part of the Directors' Report in the Annual Report.

The Board has adopted an Audit and Risk Management Charter setting out the Committee as well as reporting requirements. The Charter will be reviewed annually to determine whether any changes are necessary. A copy of the Charter can be accessed on the Company's website under Corporate Governance.

The Audit and Risk Management Committee is responsible for:

- monitoring the integrity of the Company's financial statements, reviewing significant financial reporting judgments;
- reviewing the Company's internal financial control system;
- considering the appointment of the External Auditor and to approve the remuneration and terms of engagement of the External Auditor;
- monitoring and reviewing the External Auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- developing and implementing policy on the engagements of the External Auditor to supply non-audit services; taking into account relevant ethical guidance regarding the provision of non-audit services by the External Auditor.

The Audit and Risk Management Committee is responsible for reviewing the nomination, performance and independence of the External Auditor. RSM has been appointed as the Company's External Auditor by shareholders at a General Meeting. RSM has advised the Company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

## 4.2 CEO and CFO Certification of Financial Statements

Prior to the approval of the Company's financial statements each year, the Chief Executive Officer and the Chief Financial Officer confirm in writing to the Board that the financial reports of the Company for the financial year:

- present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

## 4.3 External Auditor at AGM

The Company's external audit function is performed by RSM. Representatives of RSM attend the Annual General Meeting and are available to answer shareholder questions regarding the audit or the financial statements.

# 5 MAKE TIMELY AND BALANCED DISCLOSURE

## 5.1 Disclosure and Communications Policy

The Board has adopted a Continuous Disclosure Policy to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, senior executives and staff to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner. The Policy also ensures that all information provided to the ASX is posted on the Company's website as soon as possible after its 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 receive copies of all announcements released to the ASX and copies of related information, such as financial statements and public presentations, and are aware of and accountable for, the Company's compliance with regard to continuous disclosure. A copy of the Continuous Disclosure Policy is available on the Company's website under Corporate Governance.

# 6 RESPECT THE RIGHTS OF SECURITY HOLDERS

## 6.1 Information on Website

Information about the Company and its operations is located at [www.polymetals.com](http://www.polymetals.com)

Information about the Company's corporate governance policies can be found on the Company's website under Corporate Governance.



## 6.2 Investor Relations Programs

The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:

- the Annual Report which is distributed, or otherwise made available, to all shareholders;
- the quarterly activities report;
- the half-year financial report;
- the Annual General Meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate;
- Company announcements; and
- all of the information available on the Company's website.

Conference and investor presentations, including videos where applicable, are made available on the Company's website and via its newsletter service. The Company operates a Twitter account and has a free newsletter subscription page available to all interested parties on its website.

The Company welcomes questions from shareholders at any time and these are answered promptly unless the information requested is market sensitive and not in the public domain. All announcements made by the Company to the ASX (except disclosures of a routine compliance or administrative nature) are posted to the Company's website.

## 6.3 Facilitate Participation at Meetings of Security Holders

The Company encourages shareholder participation at its AGMs including by making notices of meetings available on its website. Typically, shareholder meetings are convened in Brisbane or Sydney. Shareholders are able to attend in person, appoint a proxy to attend in person (eg. Australian Shareholders' Association), or complete and submit their proxy forms in writing. Aus Tin's External Auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of external audit for the relevant financial year and the preparation and content of the audit report.

## 6.4 Facilitate Electronic Communications

The Company has the capability to communicate with shareholders electronically through its website, email communications and Twitter. Electronic contact details are provided on the Company's website.

## 7 RECOGNISE AND MANAGE RISK

### 7.1 Risk Committee

The Board has not set up a stand-alone risk committee, but established a combined Audit and Risk Management Committee, which is responsible for:

- ensuring the development of an appropriate risk management policy framework that will provide guidance to management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;
- defining and periodically review management as it applies to the Company and clearly identify all the stakeholders;
- ensuring that the committee clearly communicate the Company's risk management philosophy, policies and strategies to Directors, senior executives, employees, contractors and appropriate stakeholders;
- ensuring that Directors and senior executives establish a risk aware culture which reflects the Company's risk policies and philosophies;
- reviewing methods of identifying broad areas of risk and set parameters or guidelines for business risk reviews; and
- considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authority.

A copy of the Charter can be accessed on the Company's website under Corporate Governance.

### 7.2 Annual Risk Review

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

The risk profile of the Company contains both financial and non-financial factors including operational, field and geological risks, and a range of financial and corporate risks.

To mitigate these risks, the Company has in place an experienced Board, regular Board meetings, an Audit and Risk Management Committee which aims to meet at least bi-annually, six monthly financial and internal audits, rigorous appraisal of new investments, and advisers familiar with the Company. The Company's risk management framework has been reviewed on a regular basis throughout the reporting period by the Board.

### 7.3 Internal Audit

The Company does not have a formal internal audit function due to its current size. The Audit and Risk Management Committee monitors the need for an internal audit function. The Company's management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement, these systems are developed.

The Company's External Auditor is consulted for advice by the Audit and Risk Management Committee. At this stage the Company's operational and financial functions are not complex, and all expenditure authorizations include the CEO and the CFO or Company Secretary. All suppliers are known to the Company, and any irregular or unrecognised expenses are routinely queried and discussed with one of the three personnel noted above.

## 7.4 Sustainability Risks

The Company, as an exploration and development company, faces inherent risks in its activities, including economic, environmental and social sustainability risks which may have a material impact on the Company's ability to create value for its shareholders.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's projects and assets. However, the Directors recognise that mineral exploration and evaluation is inherently risky. Material business risks will be addressed in the Review of Operations in the Annual Report.

In relation to environmental risks, the Company closely monitors its exposure to all such risks and seeks the input of specialist environmental consultants as required.

## 8 REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1 Remuneration Committee

The Board has established a Nomination, Remuneration and HR Committee. The Company has adopted a Committee Charter, which is available from the Company website under Corporate Governance.

### 8.2 Disclosure of Executive and Non-Executive Director Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive team. Disclosure of the remuneration details for Directors and Executives occurs each year in the Remuneration Report segment of the Company's Annual Report. Details of the CEO's remuneration arrangements are published on the ASX at the time they are established and at the time of any material change thereafter.

The constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company (and approved by shareholders) to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is \$350,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. All Directors have the opportunity to qualify for participation in the Directors' and Executive officers' option plan, subject to the approval of shareholders.

The remuneration of the Executives may from time to time be fixed by the Board, which will comprise a fixed remuneration component and also may include offering specific short and long-term incentives in the form of performance based salary increases and/or bonuses; and/or the issue of options.

Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors and senior Executives including fee rates, are set out in the Remuneration Report in the Annual Report.

### 8.3 Equity Based Remuneration Scheme

The Company's Share Trading Policy specifically prohibits Directors and senior Executives from engaging in short-term trading in the Company's securities. The Share Trading Policy can be accessed on the Company's website under Corporate Governance.