

Fulcrum Lithium Ltd
ACN 665 528 307
(Company)

**CORPORATE GOVERNANCE
STATEMENT**

This Corporate Governance Statement, which is current as at 21 August 2024 and approved by the Board of the Company on that date, discloses the extent to which the Company will, as at the date it is admitted to the official list of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication *The Corporate Governance Principles and Recommendations – 4th Edition (Recommendations)*. The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

Due to the current size and nature of the existing Board and the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Policies are available on the Company's website at <https://fulcrumlithium.com/company/corporate-governance/>.

RECOMMENDATIONS (4 TH EDITION)	COMPLY?	EXPLANATION
Principle 1: Lay solid foundations for management and oversight A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.		
Recommendation 1.1 A listed entity should have and disclose a board charter which setting out: (a) the respective roles and responsibilities of the Board and management; and (b) those matters expressly reserved to the Board and those delegated to management.	Yes	The Board of Directors of the Company (Board) has adopted a Board Charter which sets out the specific roles and responsibilities of the Board and management. Pursuant to the Board Charter, the role of the Board is to set overarching strategic guidance, oversee operations and management and manage the Company's finances in the interests of growth and profitability and to ensure that the Company complies with the Constitution and all applicable legal and regulatory obligations. Management's role is to implement the policies and strategies set by the Board and is responsible for the day-to-day operations of the Company, including exploration and development activities, matters of government liaison, shareholder and market relations, finance and statutory compliance.

RECOMMENDATIONS (4 TH EDITION)	COMPLY?	EXPLANATION
		The Board Charter is available on the Company's website.
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. 	Yes	<p>The Board Charter sets out the Company's process for selection, appointment and re-appointment of Directors.</p> <p>The Company undertakes relevant background checks on director candidates and will provide all material information to shareholders that may be relevant to a decision on whether or not to elect or re-elect a Director including the nominee's biographical details, qualifications, a statement whether the Board supports their election, a statement whether the Board considers the nominee independent, details of the term of office for nominees who are currently Directors and any materially adverse findings arising out of background checks undertaken for nominees who are to be elected or appointed as a Director for the first time.</p>
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements with each of its Directors and senior executives setting out 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.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (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: 	No	<p>The Company has adopted a Diversity Policy which is available on the Company's website.</p> <p>The Diversity Policy provides that the Board will, at the appropriate time, and subject to the Company's size and operations, endeavour to, on an annual basis, establish appropriate and measurable diversity targets to</p>

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<ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (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 the Workplace Gender Equality Act. 		<p>achieve and maintain gender diversity within the Company and assess the Company's progress in achieving these objectives.</p> <p>Due to the scale of the Company's operations and limited number of employees, the Company has not yet set measurable objectives for achieving gender diversity.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (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. 	Yes	<p>The Board Charter outlines the process for evaluating the performance of the Board, its committees and individual Directors and compliance with this performance evaluation will be disclosed in reporting periods.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (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. 	Yes	<p>The Board Charter outlines the process for evaluating the performance of senior executives and compliance with this performance evaluation will be disclosed in reporting periods.</p>
<p>Principle 2: Structure the Board to be effective and add value</p> <p>The board of a listed entity should be of a board of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</p>		

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<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(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.</p>	No	<p>Due to the current stage of development of the Company and the size of the Board, a Nomination Committee has not yet been established.</p> <p>The full Board performs the role of a Nomination Committee in accordance with a Nomination Committee Charter which has been adopted by the Board in anticipation of the formation of a Nomination Committee in the future.</p> <p>The Nomination Committee Charter is available on the Company's website.</p>
<p>Recommendation 2.2</p> <p>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.</p>	No	<p>Due to the current stage of development and size of the Company, a skills matrix has not yet been developed. The full Board is responsible to identify any gaps in the collective skills and diversity that the Board has or is looking to achieve in its membership.</p> <p>The Board is presently responsible for ensuring the Directors have the appropriate mix and balance of competencies to enable the Board to discharge its responsibilities effectively.</p>
<p>Recommendation 2.3</p> <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 or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why</p>	Yes	<p>(a) The Company will disclose those Directors it considers to be independent in its Annual Report and on the Company's website.</p> <p>(b) The Company will disclose in its Annual Report any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent.</p> <p>The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p>

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<p>the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>		
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	No	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of four Directors, of whom one is considered to be independent and, as such, independent Directors currently do not comprise the majority of the Board.</p> <p>The Board considers that the current composition of the Board is appropriate given the stage of development and size of the Company however will reassess periodically in line with the Board Charter.</p>
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>The Chair of the Company, Norman A. Seckold, is a founder of the Company and not considered to be an independent Director.</p> <p>The Company has not yet appointed a CEO.</p>
<p>Recommendation 2.6</p> <p>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.</p>	Yes	<p>The Board Charter provides that Directors are expected to participate in induction or orientation programs upon their election or appointment, and any continuing education or training arranged by the Company.</p> <p>Directors are also expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal matters generally needed to perform their role as a Director effectively.</p>

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Principle 3: Instill a culture of acting lawfully, ethically and responsibly A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.		
Recommendation 3.1 A listed entity should articulate and disclose its values.	Yes	The Company has adopted a Statement of Values which is available on the Company's website.
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.	Yes	The Company has adopted a Code of Conduct, an Anti-Bribery and Corruption Policy, a Securities Trading Policy and a Whistleblower Policy, which apply to all Directors, officers, employees, consultants, contractors and advisers of the Company (as applicable) and all of which are available on the Company's website. The Company is committed to acting ethically and responsibly and has prepared these policies having regard to the Recommendations.
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.	Yes	The Company has adopted a Whistleblower Policy which is available on the Company's website. The Whistleblowing Policy provides that reports of a disclosable matter under the Whistleblower Policy will be brought to the attention of the Board.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.	Yes	The Company has adopted an Anti-bribery and Corruption Policy which is available on the Company's website. The Anti-bribery and Corruption Policy provides that reports of any suspected or actual violations of the Anti-bribery and Corruption Policy will be brought to the attention of the Board.

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Principle 4: Safeguard the integrity of corporate reports A listed entity should have appropriate processes to verify the integrity of its corporate reports.		
Recommendation 4.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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. 	No	<p>Due to the current stage of development of the Company and the size of the Board, an Audit Committee has not yet been established.</p> <p>The full Board performs the role of an Audit Committee in accordance with an Audit and Risk Committee Charter which has been adopted by the Board in anticipation of the formation of an Audit Committee in the future.</p> <p>The full Board devotes time at Board meetings to fulfil the roles and responsibilities associated with maintaining the Company's internal controls and arrangements with external auditors and the full Board is involved in the Company's audit function to ensure the integrity of all financial reporting.</p> <p>The Audit and Risk Committee Charter is available on the Company's website.</p>
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 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 Company will obtain a sign off on these terms from the CEO and CFO (or, if none, the person(s) fulfilling those functions) for each of its financial statements in each financial year. Such declaration will be provided to the Board on a similar foundational basis to a declaration provided by the CEO or CFO of an entity who is required to provide such a declaration pursuant to s.295A of the Corporations Act 2001 (Cth).
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.	Yes	An executive Director will review all reports before they are presented to the full Board for review and subsequently released to the market. Such reports will not be released to the market unless they have been reviewed and approved for release by the full Board.

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Principle 5: Make timely and balanced disclosure A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations. The Company has adopted a Continuous Disclosure Policy to ensure compliance with ASX listing rule 3.1 which is available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company's Continuous Disclosure Policy provides for the Company Secretary to ensure that a copy of all material market announcements is to be circulated to the Board as soon as is practicable after its release.
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.	Yes	The Company's Continuous Disclosure Policy provides for the Company Secretary to release a copy of new and substantive investor or analyst presentation materials on the ASX market announcements platform ahead of the presentation.
Principle 6: Respect the rights of security holders A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides all relevant information about itself, the Board and the governance of the Company generally, including all relevant policies and charters, on the Company's website.

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<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Yes	<p>The Company has adopted a Shareholder Communication Policy which is available on the Company's website.</p> <p>The Company's Shareholder Communication Policy promotes two-way communication with the Company's shareholders by attendance at the Company's general meetings, through publication of policies and announcements on the Company's website and by direct electronic communication.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Yes	<p>The Company's Shareholder Communication Policy encourages participation at meetings of shareholders. The Company invites all security holders to attend the Company's general meetings, either in person, electronically or by representative.</p> <p>Shareholders who are unable to attend the Company's general meetings are able to appoint proxies in advance of the meeting and have an opportunity to send questions relevant to resolutions prior to general meetings so that they may be considered at the meeting.</p>
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.
<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	The Company will ensure securityholders can communicate to the Company and the share registry electronically and links are made available to the Company's website on which all information provided to the ASX is posted.

RECOMMENDATIONS (4 TH EDITION)	COMPLY?	EXPLANATION
Principle 7: Recognise and manage risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
Recommendation 7.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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. 	No	<p>Due to the current stage of development of the Company and the size of the Board, a Risk Committee has not yet been established.</p> <p>The full Board performs the role of a Risk Committee in accordance with a Risk Management Policy which has been adopted by the Board in anticipation of the formation of a Risk Committee in the future.</p> <p>The full Board devotes time at Board meetings to fulfil the roles and responsibilities associated overseeing the Company's risk management framework.</p> <p>The Risk Management Policy is available on the Company's website.</p>
Recommendation 7.2 The Board or a committee of the Board should: <ul style="list-style-type: none"> (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. 	Yes	<p>The Audit and Risk Committee Charter requires that the full Board will, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>The Company will disclose, in relation to each reporting period, whether such a review has taken place.</p>
Recommendation 7.3 A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. 	Yes	<p>The Company currently does not operate an internal audit function. The Board Charter, the Audit and Risk Committee Charter and the Risk Management Policy provide that the full Board has the responsibility for evaluating the Company's governance, risk management and internal control processes and include an annual review of the Company's risk management framework by the full Board.</p>
Recommendation 7.4		

RECOMMENDATIONS (4 TH EDITION)	COMPLY?	EXPLANATION
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.	Yes	As an exploration and development company, the Company is exposed to, environmental and social risks through its mining and exploration activities. The Company seeks to manage its environmental risks by operating in accordance with applicable environmental law and its social risks by engaging local employees and consultants where possible.
Principle 8: Remunerate fairly and responsibly A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	No	Due to the current stage of development of the Company and the size of the Board, a Remuneration Committee has not yet been established. The full Board performs the role of a Remuneration Committee in accordance with a Remuneration Committee Charter which has been adopted by the Board in anticipation of the formation of a Remuneration Committee in the future. The Remuneration Committee Charter is available on the Company's website.
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.	Yes	The Company's policies and practices regarding the remuneration of Directors and senior executives and details of their remuneration are disclosed in this Prospectus and the Remuneration Report contained in the Company's 30 June 2020 financial statements.

RECOMMENDATIONS (4 TH EDITION)	COMPLY?	EXPLANATION
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has adopted a Securities Trading Policy which is available on the Company's website.</p> <p>The Securities Trading Policy prohibits Directors or employees from entering into transactions which limit the economic risk of participating in unvested entitlements, such as unvested options.</p>
<i>Additional recommendations that apply only in certain cases</i>		
Not applicable.		