

**ASX RELEASE**

12th November 2020

Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**CORPORATE GOVERNANCE STATEMENT**

As this statement was not included in the Annual Report, it is a requirement under ASX Listing Rule 4.7 to release the full statement to the market.

This statement is attached and can also be viewed at [www.a-cap.com.au](http://www.a-cap.com.au)

Yours sincerely



M K Smartt  
Company Secretary

This Statement reflects A-Cap Resources Limited's corporate governance policies and practices as at **30 September 2020**.

The Board of Directors of A-Cap Resources Limited (the "Company") is responsible for monitoring the business undertakings of the Company and protecting the rights and interests of shareholders. High standards of corporate governance are considered essential to give effect to these responsibilities.

The Company's corporate governance policies are set and reviewed from time to time by the Board having regard to any changing circumstances of the Company and the best interests of shareholders. Accordingly, the Company has, where appropriate, sought to adopt the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the 'Principles'). The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company's business. Documents referenced in this statement as being available on the Company's website can be found on [www.a-cap.com.au](http://www.a-cap.com.au)

Item	ASX Best Practice Recommendation	Compliance	Comment
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: 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.	<b>Comply</b>	The Company has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and those that are delegated to management.  The Board Charter is located in the Corporate Governance section 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.	<b>Comply</b>	The Company has a Policy and Procedure for the Selection and Appointment of New Directors and this is located in the Corporate Governance section on the Company's website.  The Company provides sufficient information in its Notice of Meeting when a director is to be elected or re-elected at a General meeting of the Company.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<b>Comply</b>	Remuneration and other terms of engagement for the directors are formalised in consulting agreements individually or with their respective companies. The terms of these agreements are summarised in the annual Remuneration Report forming part of the Directors' Report which accompanies the Annual Report sent shareholders.  Any new directors who may be appointed to the Board will be provided with a letter of appointment which includes their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.
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.	<b>Comply</b>	The Board is responsible for the appointment of the Company Secretary. The Company Secretary supports the effectiveness of the board and its committees including the governance matters. The Company Secretary role extends to the following responsibilities: <ul style="list-style-type: none"> <li>• ASX &amp; Corporations laws regulatory compliance &amp; filings;</li> <li>• timely dispatch of board and committee papers;</li> <li>• Accurately record meeting business in the minutes;</li> <li>• Monitoring board, committee policies &amp; procedures are followed and helping organise, facilitate induction, professional development of directors.</li> </ul>

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PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>b) disclose that policy or a summary of it; and</li> <li>c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either; <ul style="list-style-type: none"> <li>1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>2) 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.</li> </ul> </li> </ul>	<b>Do not comply</b>	<p>In accordance with the diversity requirements set out in the ASX Principles and Recommendations, the Company continues to consider its approach to diversity.</p> <p>The Board takes the view that it is impractical and unnecessary to establish a diversity policy due to the Company's size, its stage of development and nature of operations. However, the Board is committed to revisiting this position if the Company progresses to the development and construction stage of the project.</p> <p>The Company believes that non-compliance by the Company with this Principle will not have a detrimental effect on the Company.</p> <p>The Consolidated Group currently employs one woman (5 employees) full time. No women currently hold a position on the Board or in a senior management position.</p> <p>The Company is not a relevant employer under the Workplace Gender Equality Act.</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<b>Comply</b>	<p>An annual review of performance comprises a questionnaire and Board member interview with the Chairman. Suggestions and deficiencies identified through this process are then considered by the Chair and where necessary, appropriate remedial action taken.</p> <p>A formal review was not undertaken during the year.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<b>Comply</b>	<p>The Deputy Chairman and Finance Director are responsible for setting the performance objectives of the Company's senior executives and for evaluating their performance against them.</p> <p>An annual review of performance of the Company's senior executives was not undertaken during the year.</p>

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PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee</li> <li>4) the members of the committee; and</li> <li>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</li> </ol> <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>	<b>Partial compliance</b>	<p>The Nomination Committee Charter is located in the Corporate Governance section on the Company's website. The full Board comprise the Nomination Committee. The full Board did not formally convene as the Nomination Committee during the reporting period.</p> <p>The Board considers that it is in the best interests of the Company to determine the criteria for the selection of new directors based on any perceived "gaps" in the skill set of the Board as and when a casual vacancy arises.</p> <p>Retirement and rotation of directors is governed by the Corporations Act and the constitution of the Company. Each year, one-third of the directors must retire and offer themselves for re-election. Any casual vacancy filled between general meetings will be subject to a shareholder vote at the next Annual General Meeting of the Company.</p> <p>Re-appointment of directors is not automatic. Shareholders are provided with relevant information on each of the candidates for election or, where applicable, re-election.</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.	<b>Partial compliance</b>	The Company provides full details in its Annual Report of each Director's past and present directorships, and the skills associated with those directorships, and how they provide benefits to the Company.
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>	<b>Comply</b>	<p>The following directors are considered by the board to be independent directors:</p> <ul style="list-style-type: none"> <li>· Mr Michael Liu</li> <li>· Mr Paul Ingram</li> <li>· Mr Mark Syropoulo</li> </ul> <p>The following directors are not considered by the board to be independent directors:</p> <ul style="list-style-type: none"> <li>· Mr Jiandong He</li> <li>· Meng Weijun</li> </ul> <p>Both of these Directors are on the Board of Singapore Shenke International Investment Pte. Ltd a substantial shareholder.</p>

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PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.3	<p>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</p> <p>c) the length of service of each director</p>	<b>Comply</b>	<p>The following independent directors provide consulting services to the Company through their associated company services entity:</p> <ul style="list-style-type: none"> <li>· Mr Michael Liu</li> <li>· Mr Paul Ingram</li> </ul> <p>The Board have determined that the contractual relationships do not materially interfere with each director's independent exercise of judgment.</p> <p>The length of service of each director is detailed in the Annual Report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<b>Do not Comply</b>	<p>The Board is of the opinion that the objectives and current strategy of the Company are well served by retaining the current composition of the Board, irrespective of the Directors' degree of independence. A determination with respect to independence is made by the Board on an annual basis.</p> <p>In addition, the Directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger a review of a director's independent status.</p>
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.	<b>Do Not Comply</b>	There is no Chairman at present.
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.	<b>Comply</b>	<p>New directors are inducted into the Company at the time of their appointment.</p> <p>New directors who may be appointed to the Board will be provided with a letter of appointment which includes their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	<p>A listed entity should:</p> <p>a) have a code of conduct for its directors, senior executives and employees; and</p> <p>b) disclose that code or a summary of it.</p>	<b>Comply</b>	<p>A copy of the Company's Corporate Code of Conduct can be found on the Company's website.</p> <p>The Policy sets out that the Company conduct its activities with honesty, integrity and high ethical standards.</p>

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING															
4.1	<p>The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <p>1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>2) is chaired by an independent director, who is not the chair of the board.</p> <p>and disclose:</p> <p>3) the charter of the committee;</p> <p>4) the relevant qualifications and experience of the members of the committee; and</p> <p>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</p> <p>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.</p>	<p>Comply</p>	<p>The audit committee charter is available in the Corporate Governance section of the Company’s website.</p> <p>The Company’s Audit Committee during the financial year comprised of the following Directors:</p> <p>Paul Ingram (Independent Non-Executive Director)</p> <p>Michael Liu (Independent Non-Executive Director)</p> <p>Mark Syropoulo (Independent Non-Executive Director)</p> <p>The qualifications and experience of Audit Committee members are disclosed in the 2020 Financial Report (Directors Report).</p> <p>The number of meetings of the Company’s Audit Committee held during the year ended 30 June 2019 and the numbers of meetings attended by Committee members were:</p> <table><tr><th>Director</th><th>Held</th><th>Attended</th></tr><tr><td>J Fisher-Stamp</td><td>1</td><td>1</td></tr><tr><td>P Ingram</td><td>1</td><td>1</td></tr><tr><td>M Liu</td><td>1</td><td>1</td></tr></table> <p>The Company Secretary attends Audit Committee meetings as management representative.</p> <p>Not applicable, refer above</p>	Director	Held	Attended	J Fisher-Stamp	1	1	P Ingram	1	1	M Liu	1	1
Director	Held	Attended													
J Fisher-Stamp	1	1													
P Ingram	1	1													
M Liu	1	1													

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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.	<b>Partial compliance</b>	The Deputy Chairman and Finance Director provide declarations to the board stating 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.
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.	<b>Comply</b>	The auditors of the Company, William Buck Audit (Vic) Pty Ltd are invited to the AGM to answer any questions related to the audit of the financial statements of the Company, in line with the requirements of the <i>Corporations Act 2001</i> .
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <ol style="list-style-type: none"> <li>have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>disclose that policy or a summary of it.</li> </ol>	<b>Comply</b>	<p>In accordance with Compliance Procedures and the ASX's Listing Rules the Company immediately notifies the ASX of information concerning the Company:</p> <ol style="list-style-type: none"> <li>That a reasonable person would or may expect to have a material effect on the price or value of the Company's securities; and</li> <li>That would, or would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.</li> </ol> <p>A summary of the Company's Compliance Procedures Policy is available on the Company's website.</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<b>Comply</b>	<p>The Company's Shareholder Communication Policy is available on the Company's website.</p> <p>The Company maintains a website at <a href="http://www.a-cap.com.au">www.a-cap.com.au</a> on which the Company makes the following information available on a regular and up to date basis:</p> <ul style="list-style-type: none"> <li>company announcements;</li> <li>information briefings to media &amp; analysts;</li> <li>notices of meetings and explanatory materials;</li> <li>financial information; and</li> <li>annual and half year reports.</li> </ul> <p>In the event that an announcement is not available on the Company's website it will be available on the ASX website.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communications with investors.	<b>Comply</b>	Shareholders may contact the Company Secretary who supports the Board in managing investor relations.

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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.	<b>Comply</b>	The Company encourages full participation of shareholders at the annual general meeting, and other meetings, of the Company.
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.4	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	<b>Comply</b>	The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them.
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>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</li> </ol> <p>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.</p>	<b>Do not comply</b>	<p>The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system</p> <p>Day-to-day management of risk is the responsibility of the relevant members of the Company's Management.</p> <p>Refer above</p>
7.2	<p>The board or a committee of the board should:</p> <p>a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<b>Comply</b>	<p>The role of the Board is to:</p> <ul style="list-style-type: none"> <li>• review the Company's internal financial control system and risk management systems;</li> <li>• monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;</li> <li>• monitor and review compliance with the Company's Code of Conduct and the Whistle-blower Policy.</li> </ul> <p>The Annual Report sent to shareholders contains details of meetings held during the year.</p>



Item	ASX Best Practice Recommendation	Compliance	Comment
7.3	<p>A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>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.</p>	<b>Partial compliance</b>	<p>The Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company's business in pre-development stage.</p> <p>The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.</p> <p>Day-to-day management of risk is the responsibility of the relevant members of the Company's Management.</p>
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	<b>Comply</b>	Management maintains a key risks register which is reported monthly to the board of directors as well as completing filings with statutory agencies in respect to environmental and land management compliance obligations under mining lease and permits granted to the Company.
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, the majority of whom are independent directors; and</li> <li>2) Is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>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</li> </ol> <p>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.</p>	<b>Partial Compliance</b>	<p>The Remuneration Committee Charter can be found on the Company's website. The full Board comprise the Remuneration Committee.</p> <p>The Board reviews, on an annual basis, executive remuneration and incentive policies. The Board reviews consultants' engagements against project activities on a quarterly basis.</p> <p>In addition, the Board reviews and approves the audited remuneration report set out in the Directors' Report contained in the Company's Annual Report. The Board consults external consultants and specialists where needed.</p> <p>Whilst the Charter specifies for the Committee to meet at least once a year, the Board did not convene in its capacity as the Remuneration Committee, rather, the Board regularly reviews Group remuneration at meetings of Directors.</p> <p>Refer above</p>
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.	<b>Comply</b>	This information can be found in the remuneration report of the Company's annual report.

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8.3	<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>	<b>Comply</b>	<p>The Company has established a Director Long Term Incentive Plan and Executive and Consultant Share Option Plan, which were approved by shareholders at the 2018 Annual General Meeting.</p> <p>Performance Rights and Options issued to directors and executives, along with a summary of the respective plans, are detailed in the Company's 2018 Annual Report to shareholders.</p>