



CORPORATE GOVERNANCE STATEMENT

FOR THE PERIOD

1 JULY 2021 TO 30 JUNE 2022

The Corporate Governance Statement has been approved by the Board and is current as at the date shown below:

29 December 2022

Corporate Governance Statement

Introduction

This Corporate Governance Statement sets out Ikwezi Mining Limited's (the **Company**) compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

The Ikwezi Mining Limited Board currently comprises of three Directors, one of whom are considered to be independent.

The Board is committed to ensuring that our Company is properly managed to protect and enhance Shareholder interests, and that we and our Directors, officers and employees operate in an appropriate environment of corporate governance.

Accordingly, the Board has adopted corporate governance policies and practices (the majority of which are in accordance with ASX's Corporate Governance Principles and Recommendations (ASX Recommendations)) designed to promote the responsible management and conduct of our Company.

Our main policies and practices are summarised below. In addition, many governance elements are contained in the Constitution. Details of our key policies and practices and charters for the Board and each of its committees are available at www.ikwezimining.com or may be obtained from our Company Secretary.

Board responsibilities and composition

The Board is ultimately responsible for setting policy regarding the strategic direction and goals for our business and affairs.

The Board delegates day-to-day management of our resources to management, under the leadership of the Executive Chairman, to deliver the strategic direction and goals determined by the Board.

In discharging their duties, Directors are provided direct access to and may rely upon senior management and external advisers and auditors. The Board collectively, the Board committees and individual Directors may seek independent professional advice at our expense for the purposes of the proper performance of their duties.

The Board considers an independent Director to be a Non-Executive Director who is not a member of our management and who is free from any interest and any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis, rather than referring to a general materiality threshold. The current Board members are described in the Directors' Report.

We consider it important that the Board comprises individuals with a range of knowledge, skills and experience which are appropriate to its objectives. To this end, the composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

Details regarding the skills, qualifications, experience and expertise of each of the directors can be found in the Directors report.

Board committees

The Board discharges its duties in relation to certain specific functions through the following committees of the Board:

- Audit Committee;
- Risk Committee; and
- Remuneration and Nomination Committee.

The Board undertakes to ensure that these committees are sufficiently resourced to enable them to fulfil their roles and discharge their responsibilities. Given the present structure of the Board and the requirement of each committee charter that the Committees are to comprise at least 3 members, all of the Directors are also members of each of these Committees.

Audit Committee

The role of the Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.

The Audit Committee comprised of our three Directors during the year under review; with H S Kapila being the Chairman of the committee.

Risk Committee Audit

The role of the Risk Committee is to assist the Board with the identification and management of business and operational risks faced by our Company. The Risk Committee responsibilities include overseeing our risk management systems, practices and procedures and reviewing periodically the scope and adequacy of our insurance. The Risk Committee will comprise at least 3 members and may include Executive and Non-Executive Directors as well as senior executives of our Company. H S Kapila serves as the chairman of the Risk Committee.

Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee includes attending to matters related to our remuneration policy to enable us to attract and retain executives who will create value for Shareholders and to arrange annual performance evaluations of those executives.

The Remuneration and Nomination Committee also attends to matters relating to succession planning and recommends candidates for election or re-election to the Board. The Remuneration and Nomination Committee will identify and recommend candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company. Nitin Agrawal serves as the chairman of the Remuneration and Nomination Committee.

Corporate governance policies and charters

The Board has adopted the following corporate governance policies.

Board Charter

The Board monitors our progress and performance on behalf of our Shareholders, by whom it is elected and to whom it is accountable. The Board charter, which is summarised below, seeks to ensure that the Board discharges its responsibilities in an effective and capable manner.

Board responsibilities

The Board's responsibilities include:

- overseeing the business and affairs of our Company, including our control and accountability systems;
- appointing the senior executives and determining their terms and conditions, including remuneration and termination;
- driving the strategic direction of our Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- ensuring the health, safety and well-being of employees; in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of our occupational health and safety systems to ensure the wellbeing of all employees;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- approving the annual, half yearly and quarterly accounts;
- approving significant changes to the organisational structure;
- approving the issue of any shares, options, equity instruments or other securities in our Company;
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making;
- recommending to Shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- meeting with the external auditor, at their request, without management being present.

Corporate Code of Conduct

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all our directors and employees.

The Board has adopted a code of conduct that provides a framework for decisions and actions in relation to responsible and ethical conduct in employment. It underpins the Company's commitment to integrity and fairly dealing in its business affairs. The code of conduct sets out for all directors and employees the minimum standards of behaviour expected of them.

The code of conduct sets out our policies on various matters, including, conflicts of interest, public and media comment, use of our resources, security of information, intellectual property/copyright, discrimination and harassment, corrupt conduct and occupational health and safety.

Audit Committee Charter

This Charter defines the Audit Committee's purpose, composition, duties and responsibilities.

Risk Committee Charter

This Charter defines the Risk Committee's purpose, composition, duties and responsibilities.

Remuneration and Nomination Committee Charter

This Charter defines the Remuneration and Nomination Committee's purpose, composition, duties and responsibilities.

Performance Evaluation Policy

We aim to have a clear process for evaluating the performance of senior executives. The Remuneration and Nomination Committee (excluding the subject of evaluation where he or she is a member of the Remuneration and Nomination Committee) is responsible for arranging an annual performance evaluation of our senior executives. The evaluation will be based on specific criteria, including our business performance, whether strategic objectives are being achieved and the development of management and personnel. The Chairman of the Company was not paid any remuneration during the year ended 30 June 2022.

Continuous Disclosure Policy

We are committed to continuous disclosure of material information as a means of promoting transparency and investor confidence. The practices of our Company are compliant with the Listing Rules, including in particular those regarding continuous disclosure.

All information provided to ASX for release to the market will be posted to our website at www.ikwezimining.com after ASX confirms an announcement has been made.

Risk Management Policy

We are committed to the identification, monitoring and management of risks associated with our business activities and have established a Risk Committee to have responsibility for identifying and overseeing major areas of risk and ensuring that systems are in place to manage them, and report to the Board as and when appropriate. The Risk Committee is responsible for overseeing the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.

Securities Trading Policy

Our directors, officers and other employees will be in possession of information relating to our Group and, possibly, other companies. From time to time, some of this information may be classified as "inside information". We have adopted a securities trading policy that explains the prohibition on insider trading and, in addition, limits trading by directors and certain restricted employees to specific "black-out periods", such as prior to the release of our Company's full and half year results announcements and the annual general meeting. In certain instances, our policy extends beyond the strict requirements of the Corporations Act. Any such a trade by a director or restricted employee must be notified in advance to the Board and clearance obtained.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and contractors have a duty of confidentiality to us in relation to confidential information they possess.

Shareholder Communications Policy

We place great importance on the communication of accurate and timely information to our Shareholders and recognise that efficient and continuous contact with Shareholders is an essential part of earning their trust and loyalty.

To this end, we are committed to communicating effectively with Shareholders through releases to the market via ASX, information mailed to Shareholders and our general meetings.

Compliance with Black Economic Empowerment (BEE) legislation in South Africa

The BEE requirements in the South Africa mining industry arise from the equality provisions of the South African Constitution and the Mineral and Petroleum Resources and Development Act (MPRDA).

The Department of Mineral Resources and Energy (DMR) published and implemented the Broad-Based Socio-Economic Empowerment Charter, commonly known as the Mining Charter. It was first developed in 2002 and then amended in 2010 which was applicable to all mining companies operating within South Africa. The Mining Charter aimed to drive transformation in the industry and facilitate participation of historically disadvantaged South Africans (HDSA) in the mining and minerals industry by providing specific targets that must had to be met in order to effect transformation and promote sustainable development and growth of the industry.

HDSA are defined as “any person, category of persons or community, disadvantaged by unfair discrimination” on the basis of race, gender or disability and includes females generally as well as Black, Indian, Chinese and Coloured people.

A third iteration of the Mining Charter (the “2018 Mining Charter”) was gazetted on 27 September 2018. The Implementation Guidelines document, which unpacks the processes and procedures for executing the changes, was published alongside the 2018 Mining Charter on 19 December 2018.

A copy of the 2018 Mining Charter or “Broad-Based Socio- Economic Empowerment Charter for the Mining and Minerals Industry, 2018 is available at https://www.gov.za/sites/default/files/41934_gon1002.pdf . A copy of the implementation guidelines which must be read in conjunction with the 2018 Mining Charter, is available at https://www.gov.za/sites/default/files/gcis_document/201812/42122gon1399.pdf.

The revised 2018 Mining Charter introduced a number of additional requirements into the legislation regarding the various criteria that will need to be met by the Company henceforth. The first annual reporting deadline of the Companies compliance with these requirements was 20 March 2020.

The 2018 Mining Charter’s key areas relate to ownership, employment equity, human resource development, inclusive procurement supplier and enterprise development, mine community development and housing and living conditions.

An article published by Deloitte summarises the various requirements and is available at https://www2.deloitte.com/content/dam/Deloitte/za/Documents/energy-resources/za_deloitte_mining_charter_May2019.pdf, for further reference.

The legal requirements contained in the South African legislation exceed the reporting recommendations contained in the related ASX Recommendation.

Compliance with ASX Recommendations

The Company follows all of the ASX Recommendations, except as outlined in this statement. A table outlining the Company’s current compliance with each