

# **GOPACIFIC RESOURCES LIMITED**

**ACN 003 208 393**  
**and controlled entities**

**ASX code: GPR**

## **2023 Corporate Governance Statement**

**GEOPACIFIC RESOURCES LIMITED**  
**CORPORATE GOVERNANCE STATEMENT 2023**

This Corporate Governance Statement relates to the reporting period 1 January 2023 to 31 December 2023 and was reviewed and approved by the Board of Directors.

The Statement sets out the key features of the corporate governance framework that Geopacific Resources Limited (Geopacific or the Company) has established. The Company's corporate governance practices reflect the commitment of the Board of Directors to implement the highest standards of ethics, integrity, legal and statutory compliance.

In establishing the corporate governance framework of the Company, the Board has adopted, where appropriate, practices consistent with the ASX Corporate Governance Council's *Principles and Recommendations (4<sup>th</sup> Edition)* which came into effect for financial years commencing on or after 1 January 2020.

Where after consideration, the Company's corporate governance practices depart from the recommendations, this statement provides an explanation for the adoption of an alternative practice in compliance with the "if not, why not" reporting regime. All practices, unless otherwise stated, were in place for the entire reporting period ended 31 December 2023.

All Policies and Charters referred to in this Statement are available in the Corporate Governance page on the Company's website [www.geopacific.com.au](http://www.geopacific.com.au).

**PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

**Recommendation 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.

The Board is responsible for the overall performance of the Company, monitoring financial performance, reviewing and monitoring systems of risk management and internal control, overseeing the corporate governance of the Company and monitoring the implementation of the Company's code of conduct, policies and charters that reflect the values of the Company and guide the conduct of its Directors and employees.

The Chief Executive Officer (CEO), supported by Senior Management, is responsible for the management of the day-to-day activities of the Company and in addition is responsible for advancing the strategic direction of the Company as set and monitored by the Board. During the reporting period, the responsibilities of the CEO were temporarily assumed by the Interim CEO<sup>1</sup> until the appointment of the Company's new CEO, James Fox, on 16 November 2023.

The Company has established respective roles and responsibilities of its Board and Management, including matters expressly reserved to the Board and those delegated to Management.

The roles and responsibilities of the Board and Management are further described and documented in the Company's *Board Charter*.

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<sup>1</sup> Interim CEO role held by Richard Clayton from 1 January 2023 to 14 April 2023, and Matthew Smith from 17 April 2023 to 15 November 2023.

### **Recommendation 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.

The Company undertakes appropriate background checks before appointing a person as a director or putting forward to security holders a candidate for election, as a director.

A profile of each Director is included in the Company's Annual Report and the Company ensures that all information in its possession relevant to a Shareholder's decision on whether to elect or re-elect a Director is provided in the relevant Notice of Meeting.

This recommendation is adopted in section 2.2 of the Company's Board Charter.

### **Recommendation 1.3**

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All Directors and Senior Executives of the Company have entered into written agreements.

Directors and Senior Executives are provided with a formal letter of appointment that sets out the terms and conditions of their appointment, including their duties, rights and responsibilities.

### **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.

The Company Secretary is appointed by the Board and has a dual reporting function to the CEO and the Board.

The Company Secretary has a direct line of communication with the Chairman and all Directors on all matters to do with the functioning of the Board.

The responsibilities of the Company Secretary are outlined in the Company's Board Charter.

## Recommendation 1.5

A listed entity should:

- (a) have and disclose a diversity policy;
- (b) through its board or a relevant committee of the board to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- (c) disclose in each reporting period:
  - (1) the measurable objectives set for the period to achieve gender diversity;
  - (2) the entities progress towards achieving those objectives; and ; either:
    - (i) the respective proportions of men and women on the board, in senior executive positions and across the workforce (including how the entity has defined “senior executive” for these purposes); or
    - (ii) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined and published under the Act.

The Company’s Diversity Policy is applicable to all Company Directors, Officers and employees and includes, but is not limited to, factors such as gender, age and ethnicity.

The Diversity Policy provides the opportunity for the Board and relevant Committees to set measurable objectives for achieving gender diversity and to annually assess the objectives and progress in achieving those objectives for the Board, Senior Executives and the workforce. During the reporting period, no measurable objectives were set as the Board considered it to be impractical based on the current operations of the Company.

The proportion of women on the Board, in Senior Executive positions and across the whole organisation as at 31 December 2023 are displayed in the table below:

Category	Proportion of Women	
	By Number	By Percentage
Whole Organisation	20 out of 89	22%
Senior Executive Positions	0 out of 2	0%
Board	0 out of 5	0%

A Senior Executive comprises the senior management team and CEO. The senior management team is delegated tasks by the CEO to whom they report to directly. A Senior Executive has authority to materially influence the strategy, direction and operation of the Company’s performance.

### **Recommendation 1.6**

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose in relation to each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The process of periodic evaluation of the Board, Sub-Committees and Individual Directors is outlined in the Company's Board Charter.

The Board arranges for a performance evaluation of itself, its Committees and Individual Directors to be conducted on an annual basis. The review is based on the achievement of key goals for the Board. The goals are based on key corporate requirements and any areas for improvement that may be identified.

The Board considers the outcomes of the reviews in a board meeting forum with the objective of establishing the key improvement initiatives for the forthcoming 12-month period. It is the Chairman's role to provide each Director with confidential feedback on his or her performance.

A Board performance evaluation for the 2023 reporting period was not conducted as the majority of Directors were appointed following the Board and Leadership renewal which took place in November 2023.

### **Recommendation 1.7**

A listed entity should:

- (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 was undertaken in accordance with that process during or in respect of that period.

The process of periodic evaluation of Senior Executives is disclosed in the Company's Board Charter.

All Senior Executives of the Company are subject to an annual performance evaluation. Senior Executives (including the Chief Executive Officer) have a set of performance targets which are set by the Board, that are designed to align to the creation of sustained shareholder value.

An informal assessment of progress was carried out throughout the year and a formal evaluation of performance against the agreed targets takes place annually in conjunction with goal setting for the next reporting period. The Company appointed a new CEO in November 2023 and as a result, a formal performance evaluation was not conducted during the 2023 reporting period and will be conducted in 2024.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

### **Recommendation 2.1**

The board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director;
  - (iii) and disclose:
    - i. the charter of the committee;
    - ii. the members of the committee;
    - iii. 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 nomination committee, disclose the fact and the process 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.

In 2021 the Board agreed to form a sub-committee combining the roles and responsibilities of the Nomination Committee and Remuneration Committee. The Nomination Committee Charter addresses the processes employed to address board succession issues, to ensure an appropriate balance of skills, knowledge, experience, independence and diversity to enable the Board to discharge its duties and responsibilities effectively.

On 2 March 2022, in line with the organisational downsizing, the Board assumed the roles and responsibilities of the Nomination Committee and Remuneration Committee.

### **Recommendation 2.2**

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Board is of the opinion that having a diverse mix of experience, skills and knowledge is critical to deliver the Company's strategy. Where necessary the Board secures outside specialist advice to compliment the current skills set.

The following table outlines an assessment of the relevant experience of the Company's Directors as at 31 December 2023 against the key skills required to deliver the Company's strategy:

Key Skills Required	Relevant Experience of Directors
Corporate Governance	5
Geology	2
Project Development	5
Mining	5
Risk Management	4
Investor Relations	5
Corporate Transactions	5
Construction Management	2
Operations Management	2
Project Funding	5
Treasury	1
Accounting	1
Legal	1
Health and Safety	2
Environmental	2

### Recommendation 2.3

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;
- if a director has an interest, position, association or relationship of the type described in Box 2.3- "*Factors relevant to assessing the independence of a director*" 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 the board is of that opinion; and
- the length of service of each director.

At 31 December 2023, the Board consisted of five directors. The following table outlines the Independent Directors of the Board and for each of those directors, their relevant period in office and any interests in shares held in the Company:

Name	Role	Period in Office	Shares Held
Graham Ascough	Independent Non-Executive Chair	< 1 year	Nil
Hamish Bohannan	Independent Non-Executive Director	< 1 year	Nil
Rowan Johnston	Independent Non-Executive Director	< 1 year	Nil

The table below outlines the Directors of the Board who are not considered Independent and for each of those directors, their relevant period in office:

Name	Role	Period in Office
Michael Brook*	Non-Executive Director. Provided technical support in an executive capacity to the Interim CEO during the reporting period	1 year
Hansjoerg Plaggemars**	Non-Executive Director and nominee of major shareholder	1 year

\* Michael Brook worked in an executive capacity providing technical support to the Interim CEO from 17 April 2023 to 15 November 2023. Consequently, effective from 17 April 2023, Mr Brook is not regarded as an independent director at the end of the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council's *Principles and Recommendations (4<sup>th</sup> Edition)*. Mr Brook was considered an independent director from the date of his appointment in July 2022 until 17 April 2023.

\*\* Hansjoerg Plaggemars is a nominee of the Company's major shareholder, the Delphi Unternehmensberatung Group, which held greater than a 20% interest on the Company at 31 December 2023. Consequently, Mr Plaggemars is not regarded to be an independent director for the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council's *Principles and Recommendations (4<sup>th</sup> Edition)*.

#### Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

As at 31 December 2023, the majority of the board was comprised of independent directors.

#### Recommendation 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.

As at 31 December 2023, the chair of the Company was and independent director.

#### Recommendation 2.6

A listed entity should have a program for inducting new directors and 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.

The Company has a program for the induction of new directors who are appointed to the Board. This includes an appointment letter, which sets out the director duties and responsibilities, as well as providing the new director with access to the Companies' staff and the Company Secretary.

Effective from 2 March 2022, the Board assumed the roles and responsibilities of the Nomination and Remuneration Committee. As a result, the Board is responsible to review the requirement for Directors to undertaking professional development, or ongoing education relevant to their position to be able to participate fully and actively in Board decision making.



### **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

#### **Recommendation 3.1**

A listed entity should articulate and disclose its values.

The Company has established a set of corporate values and these are included in the Induction Program for new employees, reinforced periodically with all staff and published on the Company's website: <https://geopacific.com.au/vision-and-values/>.

#### **Corporate Vision Statement:**

*Our vision is to be a responsible gold miner maximising equitable and inclusive local participation to create sustainable value for all stakeholders.*

#### **Corporate Values:**

- *We care and provide a safe workplace for our people*
- *We act with honesty and integrity*
- *We protect our host communities and respect the environment in which they live*
- *We innovate and deliver on our commitments*
- *We value our 'One Team' and have a shared vision*

#### **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

The Company has established a Code of Conduct for its Directors, Senior Executives and employees, a copy of which is available on the Company's website.

Any material breaches of the Code of Conduct are reported to the Board.

#### **Recommendation 3.3**

A listed entity should:

- (a) have and disclose a whistle-blower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under the policy.

The Company has implemented a Whistle-blower Policy, which is available to all employees and contractors, and requires the Company Secretary to report a summary of all material incidents to the Audit and Risk Committee (as currently assumed by the Board) on an annual basis.

All matters of Reportable Conduct are required to be immediately reported to the Board.

A copy of the Whistle-blower Policy is available on the Company's website.

### **Recommendation 3.4**

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Company has adopted an Anti-Bribery and Anti-Corruption Policy which has been published on the website. The Board is informed of any material breaches of the Policy.

A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Company's website.

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **Recommendation 4.1**

The board of a listed entity should:

- (a) have an audit committee which:
  - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (3) the charter of the committee;
    - (4) the relevant qualifications and experience of the members of the committee; and
    - (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; 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 rotation of the audit engagement partner.

The Board has established an Audit & Risk Committee Charter which outlines processes the Committee employs to 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.

On the 2 March 2022, in line with the organisational downsizing, the Board assumed the roles and responsibilities of the Audit & Risk Committee. As a result, no Audit & Risk Committee meetings were held during the reporting period.

A copy of the Audit & Risk Committee Charter is available on the Company's website.

#### **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, 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 efficiently.

Prior to approving the accounts for a relevant period, the Board receives a declaration from the Chief Executive Officer and Chief Financial Officer pursuant to section 295A of the *Corporations Act 2001*.

The declarations assure the Board that the risk management and internal compliance and control systems are operating efficiently and effectively in all material aspects.

#### **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.

The Quarterly Activities Reports of the Company are tabled, reviewed and approved by the Board before being released to the market.

### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

#### **Recommendation 5.1**

A listed entity should have a written policy for complying with its disclosure obligations under the Listing Rule 3.1.

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Continuous Disclosure Policy aims to keep the market fully informed of information which may have a material effect on the price, or value, of the Company's securities.

A copy of the Continuous Disclosure Policy is available on the Company's website.

#### **Recommendation 5.2**

A listed entity should ensure that its board receives copies of all market announcements promptly after they have been made.

All market announcements during the 2023 reporting period were reviewed and approved by the Board before release.

The Company has a Delegations Policy that covers approval of announcements by the Chair and the CEO in situations where an urgent announcement is required under the Company's continuous disclosure obligations. Copies of such announcements are then provided to the board promptly.

### **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.

The Company ensures that all new and substantive investor or analyst presentations are released to the market through the ASX Announcements Platform ahead of the presentation.

## **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Recommendation 6.1**

A listed entity should provide information about itself and its governance to investors via its website.

The Company's website [www.geopacific.com.au](http://www.geopacific.com.au) is the primary means to provide information regarding the Company and details pertaining to its governance.

Details of the Company's governance are provided on the Corporate Governance page at: [www.geopacific.com.au/about-us/corporate-governance/](http://www.geopacific.com.au/about-us/corporate-governance/) and include links to key policies, procedures and charters.

### **Recommendation 6.2**

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Board aims to ensure that shareholders are informed of all major developments regarding the Company and its projects.

The Company has established a Continuous Disclosure Policy and a Shareholder Communications and Investor Relations Policy that guide the activities of the investor relations program.

Both Policies work in conjunction to facilitate effective two-way communication between the Company and its stakeholders. Copies of these policies are available on the Company's website.

### **Recommendation 6.3**

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company encourages the participation of shareholders at General Meetings. At such meetings, the Chair provides all members a reasonable opportunity to ask questions or make comments on the management of the Company. Shareholders are given the opportunity to appoint a proxy, attorney or representative to vote on their behalf on the resolutions proposed.

The Shareholder Communications and Investor Relations Policy discloses processes the Company has in place to facilitate and encourage participation at meetings of security holders.

### **Recommendation 6.4**

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.

All resolutions put to Shareholders at any General Meetings of the Company are decided by a poll.

### **Recommendation 6.5**

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides functionality on its website to enable security holders to receive recent Company communications via email. The website also provides contact details for both the Company and its Share Register to enable assistance any queries a Shareholder may have. The Register provides an option for stakeholders to receive communications electronically.

The Company Secretary is the Company's contact point with stakeholders and is available to assist in facilitating effective two-way communication.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### **Recommendation 7.1**

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - 1. has at least three members a majority of whom are independent directors; and
  - 2. is chaired by an independent director, and disclose;
  - 3. the charter of the committee;
  - 4. the members of the committee; and
  - 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;
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework.

The Board has adopted an Audit & Risk Committee Charter which recommends the establishment of an Audit and Risk Committee comprising of at least two independent non-executive directors.

On 2 March 2022, in line with the organisational downsizing the Board assumed the roles and responsibilities of the Audit & Risk Committee. As a result, no meetings of the Audit & Risk Committee were held during the reporting period.

The Audit & Risk Committee Charter is available on the Company's website and discloses the processes it employs to oversee the entity's risk management framework. The Committee monitors and reviews the integrity of financial reporting and the Company's internal systems of financial control and risk management.

The Board Charter also discloses the processes employed by the Board who is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's risk and compliance systems.

## Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and 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.

The Company has established a risk management framework and the Board, assuming the role of the Audit and Risk Committee, considers whether the framework remains appropriate for each reporting period.

The Company recognises the importance of identifying and managing risks by ensuring appropriate control measures are in place. The Company has established an Enterprise Risk Management Framework to ensure a consistent and structured approach is applied to risk management.

The Enterprise Risk Management Framework was established with reference to the Australia/New Zealand Standard for Risk Management (AS/NZ ISO 31000:2009) and associated Guidelines (HB 436:2013).

The Enterprise Risk Management Framework outlines the overall risk management process, including the risk assessment criteria which will be used to identify and evaluate material risks. The Enterprise Risk Management Framework is governed by a Risk Management Policy. Following a review as at 31 December 2023, the Company identified the following material exposures:

Risk	Description	Risk Management Approach
<b>Funding risk</b>	Inability to source or secure timely access to funding	The Company maintains control of future commitments and expenditure and closely monitors its performance against conditions of access to funding arrangements from third parties.
<b>Mining risks and Mineral Resource estimates</b>	Uncertainty that Mineral Resource estimates represent the entire ore body	When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. The nature of mineralisation, the occurrence and gold grade of the ore, and its behaviour during mining and processing can never be wholly predicted. Mineral Resource estimates are not precise calculations and are based on interpretation by the Competent Person and samples from drilling which, even at close drill hole spacing, represent a small sample of the entire ore body. Though the estimates may be accurate global approximations of gold content, localised grade variability may exist. Reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through additional drilling and analysis, Mineral Resource estimates are likely to change. This may result in alterations to the Company's exploration, development and production plans which may, impact the Company's operations and financial position.
<b>Commodity prices, foreign exchange rates and inflation</b>	Risk that fluctuation in in commodity prices and exchange rates adversely affect the financial outcomes for the Project	The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD/USD/PNG Kina exchange rates. Financial performance and the ability to raise finance from equity and/or debt sources will be highly dependent on the prevailing commodity prices, capital costs, operating costs and exchange rates. These prices along with other inputs to capital and operating costs can fluctuate and are affected by numerous factors beyond the control of the Company including, among others, expectations regarding inflation, the financial impact of movements in interest rates, global economic trends and confidence and conditions, each of which are currently experiencing material changes.

<b>Project exploration risks</b>	Uncertainty regarding the success of future exploration	Exploration for gold and other metals is inherently a high-risk activity and there is no assurance that discovery of potentially economic mineralisation will be successful. The Company's ability to develop a mining operation may depend on the success of its exploration program.
<b>Tenure and approvals</b>	Risk of doing business in a foreign jurisdiction	<p>The Company is subject to the PNG mining legislation and has an obligation to meet the conditions that apply to its tenements. Tenements are subject to periodic renewal.</p> <p>On 28 April 2022, the Minister for Mining in PNG granted a further amendment to the conditions of ML 508 (on which the Project is situated), which extends the requirement for the completion of construction and commissioning of the Project out to 5 July 2024. A further extension of the date for satisfaction of these conditions will be required for future development of the Project. In addition, the expiry date for ML 508 is 4 July 2034, which will also require extension/s to match future life of mine plans. Whilst past extensions granted by the PNG Government provide some comfort, there is no guarantee that the PNG Government will grant additional extensions when required.</p> <p>The Company currently holds all material authorisations required to undertake its exploration programs. If the scope and/or design of the Project is materially varied, the Company may require the grant of new permits approvals and licences, or material amendments to existing ones. For instance, changes to the location of infrastructure such as the process plant or the wharf, changes to the scale of the processing plant and/or annual production could be expected to require new authorisations, or updates to previously obtained permits, approvals and licences and further reviews or studies may be required to address any environmental impact from any material changes to the Project.</p> <p>The grant of permits approvals and licences are, as a practical matter, subject to the discretion of applicable PNG Government agencies or officials and, in some cases, require the approval of or consultation with the local community, potentially involving additional relocation, compensation, delays and costs. There is no guarantee that any required approvals, licences or permits will be granted, renewed or amended or obtained in a timely fashion.</p> <p>There is a risk that amendments to the environment permit may be required from the PNG Government, either for further compliance criteria or to reflect environmental impact changes from a change of scope of the Project, resulting in the Company incurring further delays whilst waiting on approvals to be received.</p> <p>The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters that include resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health, etc.</p> <p>As announced on 30 November 2020, the Company engaged with key Project stakeholders in respect of a range of matters, including royalty interests and local ownership requirements, which culminated in the preparation of a draft, non-binding Memorandum of Agreement (which remains unsigned). These matters continue to require negotiation with stakeholders including relevant PNG Government bodies and there can be no guarantee that these negotiations will be finalised on terms or within a timeframe proposed by the Company or at all.</p>
<b>Financing risk</b>	Uncertainty whether the Company can raise sufficient funds to develop	If a decision to progress the development of the Project is made following the completion of the appropriate feasibility studies, Geopacific would require significant new debt and/or equity funding.

	the Woodlark project	<p>The Company's ability to successfully access the equity capital markets and/or financing credit markets will depend on a range of project related factors such as including:</p> <ul style="list-style-type: none"> <li>• forecast financial returns;</li> <li>• environmental factors including the proposed deep sea tailings deposition;</li> <li>• social factors such as the village relocation; and</li> <li>• the implementation capability of the Company at that time.</li> </ul> <p>Other factors which are outside of the control of the Company may impact the ability to successfully access funding markets, include market sentiment and investor and lender requirements relating to environmental, social and governance, which may change over time</p>
<b>Mining and development risks</b>	Construction and contractor risk	<p>Any future development of the Project will be subject to typical construction risks including usual risks of delays, design and/or quality issues, pricing and cost overruns and variations, contractor performance and claims by or against the Company.</p> <p>Given the remote location of the Company's operations, some of these exposures are exacerbated. For example, if a suitable in-country contractor cannot be contracted, a foreign contractor may be required, which may result in increased labour, logistics, and equipment costs and potential project delays.</p>
<b>People risk</b>	Ability to hire personnel with the requisite skills and experience to successfully implement the Company's plans	<p>The Company is dependent on the experience, expertise and abilities of its Board and management team in overseeing the day-to-day operations of the Company, particularly due to its remote location.</p> <p>The Company must ensure its management team and Board have the requisite skills to successfully implement its plans. The failure to recruit and retain a team with appropriate experience and expertise to the Company may have an adverse effect on the performance of the Company and its plans for the Project.</p> <p>As the Company grows and moves to different stages of development, it will need to employ and retain appropriately motivated, skilled and experienced staff. Difficulties in attracting and retaining such staff may have an adverse effect on the performance of the Company.</p> <p>The timing of hiring personnel with the requisite skills and experience to successfully implement the Company's future plans is inherently uncertain.</p>
<b>Supply chain and logistics risks</b>	Disruptions to supply chain can impact Company operations	<p>Supply chain disruptions and the general level of economic uncertainty experienced during events such as the COVID-19 pandemic and other global events such as the conflict in Ukraine, continue to impact the cost and availability of freight, materials, equipment and other services required for the ongoing Company operations.</p> <p>While the direct impact of some of these events on the Company and its operations has subsided, uncertainty remains regarding the potential for further disruptions and interruptions from similar such events, which may have an adverse impact on the Company and its plans.</p>
<b>Country risk</b>	A number of political and social issues could affect the Company's PNG operations	<p>Any future material adverse changes in government policies or legislation that affect ownership, mineral exploration, development or mining activities in which the Company operates, may affect the viability and future profitability of the Company. In particular, the PNG Government has previously experienced, and may in future experience, significant political instability and economic and fiscal issues, some or all of which could directly and indirectly affect the PNG economy and the operations and financial position the Company.</p> <p>The Company's ability to acquire, retain and gain full value from assets may also be affected by a number of political and social issues such as differing political agendas and decision making, environmental and social policy and the impact of bribery and corruption. Further, the media, non-government</p>



		<p>organisations and other activists may or may not play an increasing role at local, national and international levels influencing political policy, societal perception and community actions or otherwise impacting the organisation's reputation. In addition, the legal systems operating in foreign jurisdictions are different to those operating in Australia and may result in further risks in seeking redress or enforcing judgments.</p> <p>Currently in PNG, there are a range of potential political matters which create uncertainty. While past actions lead the company to believe that the Project is supported in principle by the PNG Government authorities, the Company and the future development of the Project remains dependent on the continued support of key PNG stakeholders, including PNG regulatory authorities. For example, development will remain dependent on the continuation or grant of a gold export license issued by the relevant PNG authorities (including the Bank of PNG) and prevailing PNG Government requirements to make payments in the national currency (Kina).</p>
<b>Unable to realise further funding from the sale of long lead items</b>	Uncertainty on realisable value of certain assets	<p>A number of long lead equipment items are either held directly or pending agreed transfer of title from suppliers, and have a materials acquisition cost of over \$21 million.</p> <p>The Company has received some expressions of interest, in part driven by global supply shortages, ongoing inflationary cost pressures and increases in procurement lead times. The sale of these assets could provide additional material cash funding, if required. Any sale will be considered in light of the future Project design and configuration.</p> <p>Both the timing and quantum of any potential sale of such items is inherently uncertain. The sale of such items could result in the recognition of a loss on disposal in the event they are sold for an amount less than carrying value. This would have a consequential negative impact on earnings.</p>
<b>Community risk</b>	Long term nature of community development program	<p>The community relocation program at Woodlark is continuing, and the Company has received positive responses from the community and PNG regulatory bodies as to the quality of the new houses, school, churches, clinic and trade stores that have been delivered.</p> <p>The Company's community development programs focus on long term and responsible economic growth and standard of living improvements.</p> <p>The Company supports the development of government service improvements in the areas of health, education, law, and order.</p>
<b>Data security failure and communications risk</b>	Loss or corruption of Company data	<p>The Company has multiple layers of security and back-up provisions in place to protect its data, and to allow for effective communications.</p> <p>However, due to the remote nature of Woodlark Island, potential exists for data leakage, corruption and unavailability of information and/or communication at critical times.</p>
<b>Risk of exposure to natural events – climate change</b>	Impact of the Company's activities being exposed to natural events including climate change	<p>Climate-related factors may affect the activities and financial position of the Company. Climate change, prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, volcanic activity and earthquakes) may have an adverse effect of the Company's the Company's future performance. This could result in increased costs and or reduced revenues which could impact the Company's financial performance and position.</p> <p>The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs and operational activities of the Company. Some of the Company's sites and operations may be subject from time to time to severe storms and high rainfall leading to flooding and associated damage.</p> <p>Changes in policy, technological innovation and/or consumer or investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its product, particular in the event of a transition to a lower carbon economy.</p>

### **Recommendation 7.3**

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, the fact and processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function and the Board oversees the effectiveness of the Company's risk management and internal control processes.

The Audit & Risk Committee Charter outlines action points for evaluating and continually improving the effectiveness of its risk management and internal control processes.

### **Recommendation 7.4**

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.

The Company acknowledges that it has material risk exposures to environmental and social risks in Papua New Guinea and manages these as set out in the table under Recommendation 7.2 above.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 8.1**

The board of a listed entity should:

- (a) have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (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
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for settling the level and composition of remuneration for directors and senior executives and ensuring that such remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

In February 2020, the Board approved a Remuneration Committee Charter, which outlines the process for setting the remuneration of Directors and Senior Executives, and ensuring that such remuneration is appropriate.

On 2 March 2022, in line with the organisational downsizing the Board assumed the roles and responsibilities of the Remuneration Committee. As a result, no meetings of the Remuneration Committee were held during the reporting period.

A copy of 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.

The Remuneration Committee Charter separately discloses the Company's policies in relation to the remuneration of Non-Executive Directors and the remuneration of Executive Directors.

The Company's remuneration report for the 2023 reporting period is available in the Company's financial report for year end 31 December 2023.

### **Recommendation 8.3**

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

The Remuneration Committee Charter discloses guidelines on the Company's equity-based remuneration scheme for Executive and Non-Executive Directors. Company's Securities Trading Policy prohibits any participant of the Company's equity-based incentive schemes from entering transactions or arrangements which limit the economic risk of participating in unvested entitlements under any such equity-based remuneration scheme.

A copy of the Securities Trading Policy is available on the Company's website.