



ACN 104 114 132

## **CORPORATE GOVERNANCE STATEMENT**

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, Galileo Mining Limited (the Company) has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition)* published by ASX Corporate Governance Council ("**Recommendations**").

The Board has adopted the following suite of corporate governance policies which are available on the Company's website at [www.galileomining.com.au](http://www.galileomining.com.au):

- Board Charter
- Board Performance Evaluation Policy
- Corporate Code of Conduct
- Audit and Risk Management Committee Charter
- Remuneration and Nomination Committee Charter
- Security Trading Policy
- Continuous Disclosure Policy
- Shareholder Communications Strategy
- Diversity Policy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this Prospectus the Company complies with the Recommendations other than to the extent set out below.

| No.       | Recommendation  | Explanation for non-compliance  |
|-----------|---|---|
| <b>2.</b> | <b>Structure the Board to add value</b>   |   |
| 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.   | The Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.   |
| 2.4       | A majority of the board of a listed entity should be independent directors.   | The Board currently consists of 2 executive directors and 1 non-executive director, of which 1 is considered by the Board to be an independent director. As a small entity, the Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere strictly with these recommendations. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.   |
| <b>4.</b> | <b>Safeguard integrity in financial reporting</b>   |   |
| 4.1       | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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 financial reporting, including the processes for the appointment and removal of the</p> | <p>Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the Audit committee are undertaken by the Board.</p> <p>The full Board in its capacity as the Audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. The duties of the full Board in its capacity as the Audit committee are set out in the Company's Audit Committee Charter which is available at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p> <p>When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board is responsible for the initial appointment of the external Auditor and the appointment of a new external Auditor when any vacancy arises. Candidates for the position of external Auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external Auditor based on criteria relevant to the Company's business and circumstances.</p> |

| No. | Recommendation   | Explanation for non-compliance  |
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|     | external Auditor and the rotation of the Audit engagement partner. | <p>The performance of the external Auditor is reviewed on an annual basis by the Board.</p> <p>The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p> |

## 7. Recognise and manage risk

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| 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> <p>(i) has at least 3 members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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> <p>(b) if it does not have a risk committee or committees that satisfy ("a") above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p> | <p>Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.</p> <p>When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p> |
| 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>   | <p>The Company does not currently have an internal Audit function however, following admission to the Official List of the ASX the Company will consider establishing an internal Audit function in the future should the need arise.</p> <p>The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Risk Management Policy. A copy of this policy is available at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p>  |

## 8. Remunerate fairly and responsibly

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| 8.1 | The board of a listed entity should: | Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of |
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| No. | Recommendation  | Explanation for non-compliance   |
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|     | <p>(a) have a remuneration committee which:</p> <p>(i) has at least 3 members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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> <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> | <p>a remuneration committee are currently undertaken by the Board.</p> <p>The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p> <p>When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed at <a href="http://www.galileomining.com.au">www.galileomining.com.au</a></p> |