

## Appendix 4G

### Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

Kibaran Resources Limited

**ABN / ARBN**

15 117 330 757

**Financial year ended:**

30 June 2019

Our corporate governance statement for the above period above can be found at:

- These pages of our annual report:
- This URL on our website: <https://www.kibaranresources.com/about-us/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 25 September 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 25 September 2019

Name of Director or Secretary authorising lodgement: Andrew Spinks, Managing Director.



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<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>2</sup>
<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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement and our Board Charter (refer <a href="https://www.kibaranresources.com/about-us/corporate-governance/">https://www.kibaranresources.com/about-us/corporate-governance/</a> )	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

<sup>2</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>2</sup>
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <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>	<p>... the fact that we do not have a nomination committee and the processes we employ 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> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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> <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>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and in our Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>2</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
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; 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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="https://www.kibaranresources.com/about-us/corporate-governance/">https://www.kibaranresources.com/about-us/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.4	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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <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>	<p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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 fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> in the Directors' Report of our Annual Report</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>2</sup>	
<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</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>... the fact that we do not have a remuneration committee and the processes we employ 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><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
8.2	<p>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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



**20** CORPORATE  
**19** GOVERNANCE  
STATEMENT

 **KIBARAN**  
RESOURCES LIMITED

ABN 15 117 330 757

# Corporate Governance Statement

The Board of directors of Kibaran Resources Limited (“Kibaran” or “the Company”) is responsible for the corporate governance framework of the Company. The Board has considered and reports against the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (“ASX Corporate Governance Principles”) on 1 July 2014.

The ASX Corporate Governance Principles articulate eight core principles of good corporate governance and for each of those principles, recommendations as to their implementation. Adoption of the recommendations is not compulsory, however under the Listing Rules of ASX Limited a listed entity is required to provide an annual statement disclosing the extent to which it has adopted the recommendations for the reporting period and if it has not adopted any of the recommendations, to state the reasons for not following the recommendations.

The Company’s Board Charter, policies and codes are available on the Company’s website ([www.kibaranresources.com](http://www.kibaranresources.com)) and should be read in conjunction with the directors’ report and the remuneration report contained in the Company’s annual report. The information in this statement is current and has been approved by the Board on 24 September 2019.

## Principle 1: Lay solid foundations for management and oversight

### ROLE OF THE BOARD

The Board of Kibaran is responsible for setting the Company’s strategic direction and providing effective governance over Kibaran’s affairs in conjunction with the overall supervision of the Company’s business with the view to maximising shareholder value. Key responsibilities are documented in the Board Charter.

In accordance with Kibaran’s Constitution, the Board has appointed one of their members to the position of Managing Director with responsibility for the day-to-day management of the Company and who exercises those powers subject to any limits determined by the Board. The Managing Director, Executive Director - Projects and executives comprise the management team of the Company.

The Board ensures that the management team is appropriately qualified and experienced to discharge their delegated responsibilities and that the Board has appropriate procedures in place to assess the performance of the Managing Director and management team. The Managing Director is responsible for supervising the management of the business as designated by the Board. This separation of accountabilities ensures the appropriate independent functioning of the Board and management.

### OTHER FUNCTIONS RESERVED FOR THE BOARD INCLUDE:

- reviewing and approving financial reports;
- assessing, approving and monitoring major capital expenditures, investments and business transactions;
- identifying, assessing and monitoring significant risks;
- monitoring the effectiveness of the Company’s governance practices;
- establishing the Company’s capital management policy; and
- overseeing the Company’s compliance and continuous disclosure processes.

## ROLE OF MANAGEMENT

Management is responsible for providing relevant, timely and accurate information to the Board to enable it to discharge its responsibilities. Management as a whole is charged with reporting to the Board on the performance of the Company.

## BOARD CHARTER

The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.

The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of any Board Committees and details of the Board's relationship with management.

A copy of the Company's Board Charter is available on the Company's website.

*This complies with Recommendation 1.1 of the ASX Corporate Governance Principles.*

## BOARD AND MANAGEMENT APPOINTMENTS

Prior to making an appointment of directors or key management personnel, the Company undertakes appropriate checks to ensure that candidates are identified with the necessary expertise and experience to enhance the Company's capacity to protect and grow shareholder value. Prior to the appointment or re-election of directors, shareholders are provided with all material information in its possession which is relevant to a decision on whether or not to elect or re-elect a director, including the skills and experience of candidates, together with a statement of whether the Board supports the appointment or re-election.

The terms of appointment of all directors and key management personnel are agreed upon and set out in writing at the time of appointment.

*This complies with Recommendations 1.2 and 1.3 of the ASX Corporate Governance Principles.*

## COMPANY SECRETARY

The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are being followed and by coordinating the timely completion and despatch of Board agendas and briefing papers. A Company Secretary is appointed by the Board and is accountable directly to the Board, through the Chairperson, on all matters to do with the functioning of the Board.

*This complies with Recommendation 1.4 of the ASX Corporate Governance Principles.*

## DIVERSITY POLICY

The Company has adopted a Diversity Policy, which is available on the Company's website. The Diversity policy does not currently require the Board to set measurable objectives for achieving gender diversity. The Company employs a diverse range of individuals reflecting its philosophy of hiring the best available candidates for all positions, at all levels, based on competence and performance. The Company believes in the principle of equal opportunity in employment for all people, regardless of gender, sexual preference, marital status, pregnancy, family responsibilities, ethnicity, political or religious belief, cultural background, disability and age.



In terms of the composition of the Board and nominations, the Board considers the ASX Corporate Governance Principles as part of the overall Board appointment process when determining the composition of the Board that is appropriate for the Company. Kibaran focuses on attracting, developing and retaining persons who are highly competent and that demonstrate the values of the Company.

The Company currently employs only a small number of full-time staff and due to the constantly evolving environment in which it operates, does not believe that establishing measurable diversity objectives is appropriate at this time. The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them. Kibaran is not considered a “relevant employer” under the *Workplace Gender Equality Act* and is not required to report against the Gender Equality Indicators as defined by the Act.

*This is a departure from Recommendation 1.5 of the ASX Corporate Governance Principles.*

## BOARD PERFORMANCE EVALUATION

An assessment of the performance of the Board, its committees and individual directors is conducted on an informal basis. This assessment includes an evaluation of the appropriateness of the skills and attributes of the members of the Board against the Company’s requirements. Due to the Company’s present size and the nature of its business activities, the Board does not consider that a formal evaluation process is appropriate at this time. The Company did not undertake a formal performance evaluation for the most recent reporting period.

*This is a departure from Recommendation 1.6 of the ASX Corporate Governance Principles.*

## EXECUTIVE PERFORMANCE EVALUATION

The Managing Director is responsible for reviewing the performance of executives as necessary. Executive performance evaluations involve an assessment of the performance of executives against individual and collective accountabilities for the achievement of key objectives determined as part of the Company’s business planning processes. Due to the Company’s present size and the nature of its business activities, the Board does not consider that a formal evaluation process is appropriate at this time. The Company did not undertake a formal performance evaluation for the most recent reporting period.

*This is a departure from Recommendation 1.7 of the ASX Corporate Governance Principles.*

## Principle 2: Structure the Board to add value

### NOMINATION COMMITTEE

The Company does not presently have a Nomination Committee. Functions with respect to the selection, appointment and compensation of directors, Board succession and related matters are currently performed by the Board, rather than a Nomination Committee, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively:

- devoting time to consider Board succession issues; and
- ensuring all Board members are involved in the Company’s nomination processes, to the maximum extent permitted under the *Corporations Act 2001* and ASX Listing Rules.

The Board considers that this approach is more efficient and effective given the Company’s present size and the nature of its business activities.

It is in the best interests of shareholders for the Company to attract and retain a highly skilled Board and executive team with the necessary experience and capabilities to enhance the Company's capacity to protect and grow shareholder value. Remuneration policies are determined by the Board in order to achieve this objective, while ensuring cash and equity rewards are consistent with practices among comparable listed entities and reflect prevailing market conditions.

Key considerations for the Board when determining new appointments include:

- advice from external consultants;
- skills, knowledge and experience required for the role;
- succession planning;
- current scale and complexity of the Company's business activities; and
- ability of the candidate to assist the Board in creating value for shareholders.

*This complies with Recommendation 2.1 of the ASX Corporate Governance Principles.*

## COMPOSITION OF THE BOARD

The Board is comprised of the following directors:

Robert Pett	Independent, Non-Executive Chairperson	(appointed 9 November 2015)
Andrew Spinks	Managing Director	(appointed 20 July 2012)
Grant Pierce	Executive Director	(appointed 17 January 2013)
John Conidi	Independent, Non-Executive Director	(appointed 4 May 2015)
Christoph Frey	Non-Executive Director	(appointed 9 August 2016)

A brief profile of each director is provided in the Company's half-yearly and annual reports and is also available on its website.

## BOARD SKILLS AND EXPERIENCE

The Board considers it essential that its members possess the range of skills and experience necessary to guide the Company through project development, production and sales. Directors are identified to ensure that the Board has a balance of expertise in business administration, operational leadership, technological development and marketing.

Succession planning is conducted on an informal basis to support decisions about appointments and to maintain the level of Board capability required to successfully guide the Company through each stage of its development. Due to the Company's present size and the nature of its business activities, the Board does not consider that establishing a formal skills and diversity matrix is appropriate at this time.

*This is a departure from Recommendation 2.2 of the ASX Corporate Governance Principles.*

## INDEPENDENCE

Directors are considered to be independent when their interests are not aligned with the interests of management, substantial shareholders or other relevant stakeholders. The definition of independence and factors set out in box 2.3 of the ASX Corporate Governance Principles is taken into account by the Company when determining the independence of directors.

The Board considers that Robert Pett and John Conidi are independent directors who have no interest, position, association or relationship of the type described in box 2.3 of the ASX Corporate Governance Principles. The Company's annual report discloses the length of service of each director, as at the end of each financial year.

*This complies with Recommendation 2.3 of the ASX Corporate Governance Principles.*

The Board is currently comprised of five directors, consisting of a non-executive Chairperson, two non-executive directors, the Managing Director and an additional executive director. Based on key factors applied from box 2.3 referred to above, the Board is not comprised of a majority of independent directors, however the Company believes that at the present time a Board consisting of persons with a strong involvement in its business activities enhances the capacity of the Company to achieve its strategic priorities and generate growth in shareholder value.

*This is a departure from Recommendation 2.4 of the ASX Corporate Governance Principles.*

## **ROLE OF THE CHAIRPERSON**

The Chairperson of the Company is an independent director, who is responsible for leading the effective and efficient conduct of all Board functions, including its key accountabilities for guiding the strategic direction of the Company and reporting to shareholders. Presently, the roles of Chairperson and Managing Director are not exercised by the same individual.

Decisions of the Board are decided by simple majority and in the event of an equality of votes, the Chairperson may exercise a casting vote. Any director and Board committee (if established) may obtain independent professional advice as considered necessary, with a copy of such advice to be made available to all directors.

*This complies with Recommendation 2.5 of the ASX Corporate Governance Principles.*

## **INDUCTION OF DIRECTORS AND ONGOING PROFESSIONAL DEVELOPMENT**

The Company's program for the induction of new directors commences with a series of meetings between the new appointee and the Chairperson, Managing Director, Company Secretary/Secretaries and other members of the management team. The purpose of these meetings is to provide the new appointee with a comprehensive briefing on the Company, the business environment in which it operates and its Board governance processes. Following these initial meetings, the new appointee is provided with an opportunity to visit the Company's operations, in Australia and overseas, as well as to meet with key stakeholders such as investors, lenders, Government representatives and external advisers.

All directors are encouraged to participate in appropriate professional development opportunities each year to develop and maintain the skills and knowledge needed to successfully perform their role as a director.

*This complies with Recommendation 2.6 of the ASX Corporate Governance Principles.*

# **Principle 3: Act ethically and responsibly**

## **CODE OF CONDUCT**

The Company has a Code of Conduct that sets-out the standards of behaviour that apply to every director and employee of the Company when conducting business and dealing with customers, colleagues and other stakeholders. The guiding principles of the Code of Conduct are:

- act with integrity and professionalism and be scrupulous in the proper use of Company information, funds, equipment and facilities;
- exercise fairness, equity, proper courtesy, consideration and sensitivity in dealing with customers, employees and other stakeholders; and
- avoid any real or perceived conflicts of interest.

The Code of Conduct is available on the Company's website.

*This complies with Recommendation 3.1 of the ASX Corporate Governance Principles.*



## CONFLICTS OF INTEREST

All directors and employees must avoid any personal, financial or other interest, which may be in conflict with their duties and responsibilities to the Company. Any interest, which may give rise to a conflict of interest, must be promptly disclosed. In the case of employees, disclosure is to be made to the Managing Director, in the case of directors, disclosure is to be made to the Chairperson and in the case of the Chairperson, disclosure is to be made to the Board.

Prior to accepting any external appointment, such as a directorship, employment arrangement, consulting engagement or conducting a business activity, all directors and employees must provide disclosure in accordance with the process above so that the Company can determine if such action might give rise to a present or potential conflict of interest. After consideration, the Company may require that the person either decline the appointment, cease involvement in the business activity, or alternatively resign from their role with the Company.

## SECURITIES TRADING POLICY

A Securities Trading Policy has been adopted by the Board that sets-out the requirements prescribed by the Company and at law for all director and employee dealings in securities. It also prescribes the additional share trading restrictions applying to directors, officers, executives and certain employees who may, from time to time, be in possession of price-sensitive information ("specified persons").

Under the terms of the Securities Trading Policy, specified persons are only permitted to trade in securities if they do not possess unannounced, price-sensitive information in relation to the securities and if the trading occurs outside of restricted periods. The restricted periods commence two weeks before and end one day after, the release of the Company's quarterly, half-yearly and annual reports to the ASX.

Prior to a specified person dealing in the Company's securities, they must notify and obtain approval from the appropriate authorising officer of the Company, to confirm that there is no reason why the proposed trade should not occur. The notification to the authorising officer must state that the proposed purchase or sale is not as a result of access to, or being in possession of, any price-sensitive information that has not yet been announced to the ASX. The Company will notify the ASX in a timely manner of any transactions conducted by the directors in the securities of the Company.

The Securities Trading Policy is available on the Company's website.

## Principle 4: Safeguard integrity in corporate reporting

### AUDIT COMMITTEE

Due to the Company's present size and the nature of its business activities, the Board does not consider that establishing a separate Audit Committee is appropriate at this time. In the opinion of the Board, it is currently more efficient and effective for the Board to assume direct responsibility for all functions that would ordinarily be conducted by such a committee, including reviewing and approving financial reports, external audit arrangements and risk management processes. To independently verify and safeguard the integrity of the Company's corporate reporting processes, the Board:

- engages external auditors with the necessary skills and experience to critically review annual and half year reports, together with the system of internal controls that support financial reporting processes;

- holds private discussions with the external auditors every 6 months to provide an opportunity for any concerns to be raised by the auditors, independent of management;
- considers the performance of the external auditors, the terms of engagement and any indications that the independence of the external auditors could be impaired;
- formally approves the appointment, removal and rotation of the external auditor; and
- obtains independent legal or professional advice on any matters that the Board considers may compromise the integrity of corporate reporting.

*This complies with Recommendation 4.1(b) of the ASX Corporate Governance Principles.*

## **ASSURANCES FROM THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

The Managing Director (CEO) and CFO are required to make a declaration in accordance with section 295A of the *Corporations Act 2001* that the Company's financial reports present a true and fair view of the financial position and performance of the Company in all material respects, are in accordance with relevant accounting standards and applicable regulations and are founded on a sound system of risk management and internal control that is operating efficiently and effectively in all material respects.

For the year ended 30 June 2019, a declaration was made by the Managing Director (CEO) and CFO.

*This complies with Recommendation 4.2 of the ASX Corporate Governance Principles.*

## **EXTERNAL AUDITOR**

The Company's external auditor is Ernst & Young. The Board assumes responsibility for the appointment of Ernst & Young, approving the scope of the external audit process, assessing the conduct and outcomes of the external audit and considering the independence of Ernst & Young. Representatives from the Company's external auditor, Ernst & Young, attend the Annual General Meeting and are available to answer questions from shareholders relevant to the audit.

*This complies with Recommendation 4.3 of the ASX Corporate Governance Principles.*

## **Principle 5: Make timely and balanced disclosure**

The Company is committed to promoting investor confidence and ensuring that shareholders and other stakeholders are provided with accurate and timely information about the activities of the Company, the business environment in which it operates and the results of its operations. It has established a Continuous Disclosure Policy that sets-out its processes for ensuring that:

- all directors and employees are informed of their continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*;
- relevant information about the activities of the Company is quickly brought to the attention of the Managing Director and/or the Board; and
- where disclosure is considered appropriate, either to comply with relevant obligations or to promote a more informed market among shareholders and stakeholders, then such disclosure occurs in a timely and informative manner.

The Continuous Disclosure Policy is available on the Company's website.

*This complies with Recommendation 5.1 of the ASX Corporate Governance Principles.*

## Principle 6: Respect the rights of security holders

### CORPORATE GOVERNANCE

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website includes the following pages, which contain relevant information for shareholders:

- section on the Company's corporate governance policies and practices;
- reports section, which contains copies of annual, half-yearly and quarterly reports;
- news section, containing sections on newsletters, ASX announcements, media briefings, clippings and power point presentations; and
- research section, which contains broker research reports published on the Company.

The Company's website is updated with material released to the ASX as soon as practicable after confirmation of release by the ASX.

*This complies with Recommendation 6.1 of the ASX Corporate Governance Principles.*

### SHAREHOLDER COMMUNICATION POLICY

The Company has established a Shareholder Communication Policy that provides a framework for ensuring effective two-way communication with shareholders and other stakeholders. This is to ensure clear, unbiased and timely information is provided about the Company and its performance to enable users to make informed decisions. The key principles of the Shareholder Communication Policy are:

- supporting shareholder participation at the Annual General Meeting by encouraging shareholders to submit questions prior to the meeting and providing an opportunity for questions to be asked during the meeting;
- ensuring the external auditor attends the Annual General Meeting so that financial reporting questions may be asked directly by shareholders;
- maintaining an informative and current range of information and reports about the Company for shareholders to access on the Company's website;
- including a link on ASX announcements to the Company's website so that shareholders can access further information where relevant; and
- providing a mechanism on the Company's website for shareholders to contact the Company directly and to sign-up to receive electronic delivery of its ASX announcements and periodic reports.

Shareholders are responsible for reviewing resolutions proposed by the Board at meetings of shareholders and for voting, either in person or via proxy on such resolutions, including those relating to the appointment of directors from time to time. The Board informs shareholders of all major developments affecting the Company by the following means:

- half-yearly and annual financial reports;
- quarterly activity and cash flow reports;
- regular ASX announcements on the progress of the Company's business activities;
- maintaining a record of ASX announcements on the Company's website;
- providing explanatory information about the reasons and the effect of any material resolutions submitted to a vote of shareholders; and
- reporting to shareholders on the Company's activities at the Annual General Meeting.

*This complies with Recommendation 6.2 of the ASX Corporate Governance Principles.*

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means:

- notices of meetings are distributed to shareholders in accordance with the provisions of the *Corporations Act 2001*;
- notices of meetings and other meeting materials are drafted in concise and clear language;
- shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- if shareholders are unable to attend a meeting, notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies;
- it is general practice for a presentation on the Company's activities to be made to shareholders at each Annual General Meeting; and
- it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the Annual General Meeting and to answer any questions on the audit and financial report.

*This complies with Recommendation 6.3 of the ASX Corporate Governance Principles.*

## **ELECTRONIC COMMUNICATION**

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. Security holders are afforded the option of having communications to and from the Company and its share registry electronically delivered.

*This complies with Recommendation 6.4 of the ASX Corporate Governance Principles.*

## **Principle 7: Recognise and manage risk**

### **RISK COMMITTEE**

Due to the Company's present size and the nature of its business activities, the Board does not consider that establishing a separate Risk Management Committee is appropriate at this time as the functions ordinarily conducted by such a committee can be effectively and efficiently undertaken directly by the Board. To ensure effective oversight of the Company's risk management framework, the Board:

- regularly reviews the Company's exposure to risks, the likelihood and potential impact of those risks and the adequacy of risk mitigation practices;
- receives reports from the external auditors every 6 months on the effectiveness of the Company's internal control framework supporting financial reporting and regulatory compliance risks;
- reviews and approves the annual insurance program which is based on advice from external insurance agents; and
- obtains independent legal, technical and commercial advice from external professionals to support decision-making in relation to matters of significant business risk.

The Board has established a Risk Management Policy that is available on the Company's website.

*This complies with Recommendation 7.1 of the ASX Corporate Governance Principles.*

### **RISK MANAGEMENT FRAMEWORK**

The Board is responsible for setting the strategic direction of the Company and for creating and maintaining the environment and structures within which risk management practices can operate effectively. The Board sets the Company's risk appetite and risk tolerance.

The Managing Director is accountable to the Board for risk management processes that are designed to ensure that material risks relating to the Company's business activities and operating environment are identified, monitored and where appropriate, managed. In the course of its business, such as when undertaking an evaluation of new business prospects, conducting feasibility studies or preparing development plans, the Company undertakes an assessment of existing and potential risks across its business. This involves a consideration of the likelihood of occurrence, magnitude of impact and the level of internal risk tolerance at the time. Risk mitigation strategies are then developed to address potentially significant risks identified through this process and these strategies are incorporated into the Company's operational plans and supporting financial management activities.

An informal review of the Company's risk management framework has been conducted during the year in conjunction with the Board's consideration and approval of the Company's business plans, budgets, financial reports and insurance programs. This review is conducted at least on an annual basis to ensure that the Company's risk management framework continues to be sound.

*This complies with Recommendation 7.2 of the ASX Corporate Governance Principles.*

## **INTERNAL CONTROLS**

The Board is responsible for the oversight of the Company's internal controls and ensuring that the Company has an effective internal control framework which includes measures designed to:

- improve the effectiveness and efficiency of material business processes;
- provide for the safeguarding of assets;
- enable compliance with regulatory requirements; and
- allow for the preparation of accurate and timely financial and non-financial information about the Company's performance.

Accountability for managing the internal control framework is delegated by the Board to the Managing Director.

Due to the Company's present size and the nature of its business activities, the Board does not consider that establishing a separate internal audit function is appropriate at this time. In the event that the Company believes it is beneficial to conduct such activities from time to time, it is able to draw upon the expertise of internal audit consultants.

To improve the effectiveness of risk management and internal control processes, the Board regularly reviews the reports and recommendations of the Managing Director, external auditors, lawyers, technical professionals and insurance agents to determine if modifications to the framework are required to appropriately mitigate and manage the Company's exposure to such risks as its business activities and operating environment change over time.

*This complies with Recommendation 7.3 of the ASX Corporate Governance Principles.*

## **MATERIAL EXPOSURE**

As discussed above, the Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available on the Company's website.

Material risks faced by the Company include the availability and cost of debt and equity funding, sovereign and regulatory risks, together with global business conditions within the markets in which it operates. Information about the management of these risks is set out in the directors' report of the Company's annual report.

*This complies with Recommendation 7.4 of the ASX Corporate Governance Principles.*

## Principle 8: Remunerate fairly and responsibly

### REMUNERATION COMMITTEE

Due to the Company's present size and the nature of its business activities, the Board does not consider that establishing a separate Remuneration Committee is appropriate at this time. Functions that might otherwise be delegated to such a committee are undertaken directly by the Board.

To ensure that the level and composition of remuneration for directors and senior executives is appropriate and not excessive, the Board regularly compares the remuneration of its directors and senior executives with that provided by similar organisations operating in comparable markets, taking into account the skills and experience of the relevant individuals, their responsibilities and performance. From time to time, the Board will also obtain independent expert advice on the appropriateness of its remuneration practices.

No director or member of executive management is involved in the determination of his or her remuneration.

*This complies with Recommendation 8.1 of the ASX Corporate Governance Principles.*

### REMUNERATION FRAMEWORK

Remuneration is structured in order to attract and retain persons with the experience and skills necessary to oversee the Company's business activities and to guide its growth and development into a successful mining and downstream manufacturing company.

As the Company's key assets have not yet reached the operational phase, a greater emphasis is placed on rewarding long term performance through the award of equity in the Company that preserves cash resources and is directly linked to the creation of shareholder value. This promotes alignment between the objectives and interests of shareholders, directors and executives. The key principles that guide decisions about the Company's remuneration practices are:

- **fairness:** provide a fair level of reward that reflects market conditions;
- **transparency:** establish transparent links between reward and performance;
- **alignment:** promote mutually beneficial outcomes through alignment with shareholder interests; and
- **culture:** drive leadership performance and behaviours that promote safety, diversity and engagement.

The terms and conditions of remuneration for the Managing Director and key management personnel are set out in the remuneration report included in the directors' report of the annual report.

*This complies with Recommendation 8.2 of the ASX Corporate Governance Principles.*

The Company has a policy that, in summary, prohibits participants in its equity-based remuneration schemes from entering into transactions that limit the economic risk of a person's holdings in the Company's securities.

*This complies with Recommendation 8.3 of the ASX Corporate Governance Principles.*