

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Dynasty Resources Limited

ABN/ARBN

80 110 385 709

Financial year ended

30 June 2019

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

this URL on our website: [www.dmaltd.com.au](http://www.dmaltd.com.au)

these pages of our annual report:

The Corporate Governance Statement is accurate and up to date as at 31 October 2019 and has been approved by the board.

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

Date here: 31 October 2019

Sign here: ..... Signed electronically....  
Company Secretary

Print name: Henko Vos

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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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b><u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u></b>			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>... 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):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.5 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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</a></p> <p>... 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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<hr/> <i>Insert location here</i>	
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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <hr/> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <hr/> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <hr/> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <hr/> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<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; <b><u>OR</u></b></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>[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... 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 <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.3 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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<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.	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
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	<p>[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<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; <b>OR</b></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><input checked="" type="checkbox"/> at this location:  <a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</a></p> <p>... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... 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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at this location: <a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</a>	<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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at this location: <a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<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;</p> <p><b>OR</b></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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="https://www.dmaltd.com.au/corporate/corporate-governance.html">https://www.dmaltd.com.au/corporate/corporate-governance.html</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>  [If the entity complies with paragraph (b):] ... 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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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; <b>OR</b> (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>  [If the entity complies with paragraph (b):] ... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
	<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>		
7.4	<p>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>	<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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b><u>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</u></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;  <b><u>OR</u></b></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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and a copy of the charter of the committee:</p> <input type="checkbox"/> at this location: <p>... and the information referred to in paragraphs (4) and (5):</p> <input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
	composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>		
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – NOT APPLICABLE TO AUSQUEST</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE

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### CORPORATE GOVERNANCE STATEMENT – 2019

This statement reports on the main corporate governance practices of Dynasty Resources Limited (the “Company”) as at 31 October 2019. References in this statement to “reporting period” are to the financial year ended 30 June 2019.

### THE COMPANY’S APPROACH TO CORPORATE GOVERNANCE

The Board are committed to maintaining high standards of ethical behaviour and having an effective system of corporate governance, which is commensurate with the size of the Company and the nature of its business operations and activities.

The ASX Corporate Governance Council’s “Corporate Governance Principles and Recommendations” (“Principles”) provide a framework for good corporate governance. Commensurate with the spirit of the Principles, the Company has sought to apply the recommendations to the extent the Board considered their implementation was practical and likely to genuinely improve the Company’s internal processes and accountability to external stakeholders. The directors of the Company recognise the need for high standards of corporate governance. This Statement explains how the Company addresses the ASX Corporate Governance Council’s “Corporate Governance Principles and Recommendations (Third Edition)” (referred to as either ASX “Principles” or “Recommendations”).

Where the Company’s compliance with the Principles and Recommendations is reflected in a separate document or policy, a reference to the location of that document or policy is included in this statement.

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### RECOMMENDATION 1.1 – RECOMMENDATION FOLLOWED

*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 roles and responsibilities of the Board compared with those delegated to management are reflective of the Recommendations.

The respective roles of the Board and senior management are summarised in the Company’s Board Charter which is available on the Company’s website. The Board charter also contains summaries of the responsibilities of the Board, Chair, Managing Director, Non-Executive, Independent Directors as well as Senior Management.

The Board has established functions that are reserved for the Board, as separate from those functions discharged by management and are also summarised in the Company’s Board Charter which is available on the Company’s website.

#### RECOMMENDATION 1.2 – RECOMMENDATION FOLLOWED

*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.*

Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director’s character, experience, education, criminal record and bankruptcy history including for new directors:

- background and reference checking;
- requesting information in relation to the person’s current and previous positions, directorships, bankruptcy history and any potential conflicts of interests.

The Company ensures that all material information in its possession relevant to a shareholder’s decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company’s Notice of Annual General Meeting.

**RECOMMENDATION 1.3 – RECOMMENDATION FOLLOWED**

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

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

**RECOMMENDATION 1.4 – RECOMMENDATION FOLLOWED**

*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 accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for:

- advising the Board on corporate governance matters;
- managing the company secretarial function;
- attending all Board and Board committee meetings; and
- taking minutes and communicating with the ASX.

A copy of the Board Charter can be viewed on the Company's website.

**RECOMMENDATION 1.5 – RECOMMENDATION NOT FOLLOWED**

*A listed entity should:*

- (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;*
- (b) disclose that policy or a summary of it; and*
- (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:*
- i. 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*
  - ii. 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.*

The Company has adopted a Diversity Policy. Taking into consideration the scale of the Company's operations, the size of the Board, and that the Company did not have any employees until after year end, the Board has not established defined measurable objectives relating to diversity.

A copy of the Diversity Policy is located on the Company's website.

The composition of the board is however reviewed on an annual basis and in the event a vacancy arises, the Board Charter requires that diversity be considered as part of the criteria in assessing candidates. During the period from 1 July 2018 to 7 March 2019, the Board was composed of 4 male directors; from 7 March 2019 until year end on 30 June 2019, the Board was composed of 5 male directors. As at the date of this Statement, the Board is composed of 3 male directors and the Company had 1 male employee.

Notwithstanding the above, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company's Diversity Policy.

The Company is not a 'relevant employer' under the *Workplace Gender Equality Act 2012*.



**RECOMMENDATION 1.6 – RECOMMENDATION NOT FOLLOWED**

*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 was undertaken in the reporting period in accordance with that process.*

The Company has no formal policies and procedures concerning the evaluation and development of the Board, Board Committees and individual directors. With the recent changes to the Board between March 2019 and July 2019, effectively replacing the full Board, the Company has commenced work to develop and adopt a formal policy which it plans to implement during the current reporting period.

The Board's overall performance evaluation is currently conducted informally by the Chairman on a periodic basis and whilst Recommendation 1.6 is not strictly followed, the Directors consider that the evaluation process of company directors is appropriate given the size of the Board.

The informal review undertaken by the Board takes into account various matters including those set out in the Board Charter located on the Company's website.

The Board undertook this review during the period.

**RECOMMENDATION 1.7 – RECOMMENDATION FOLLOWED**

*A listed entity should:*

*(a) have and disclose a process for periodically evaluating the performance of its senior executives; and*

*(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

As stated above under Recommendation 1.6, the Company has no formal policies and procedures concerning the evaluation and development of the Board, Board Committees and individual directors. The Company's only executive director during the period up to 30 June 2019 was the Managing Director (Mr Tay, who resigned on 30 July 2019), whose performance was reviewed in accordance with Recommendation 1.6 above. This review was undertaken as part of that Board review during the period.

**PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**
**RECOMMENDATION 2.1 – RECOMMENDATION FOLLOWED**

*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,*

*and disclose:*

*(iii) the charter of the committee;*

*(iv) the members of the committee; and*

*(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*

*(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.*

The Company has not formed a separate nomination committee. The Board considers that the Company is not currently of a size, or its affairs of such complexity, that any efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board as a whole considers those matters that would usually be the responsibility of a nomination committee.

The composition of the Board is reviewed annually by the Board to ensure it has an appropriate mix of skills and experience that enables the directors individually, and the Board collectively, to:

- have a proper understanding of, and competence to deal with, the current and emerging issues of the Company and can effectively review and challenge the performance of those officers, consultants and other advisors engaged to assist the Company in its exploration and other activities; and
- discharge their legal duties and responsibilities effectively and efficiently.

The Company's current Board, comprising Messrs Gang, Hu and Castle, was all appointed after March 2019. Details of their qualifications and experience is set out in the Company's 2019 Annual Report.

#### **RECOMMENDATION 2.2 – RECOMMENDATION FOLLOWED**

*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 Board periodically evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes:

- mining industry expertise;
- international business experience and understanding of cultural, political, regulatory, and business requirements;
- ASX governance experience and expertise;
- accounting and corporate finance – including capital markets, corporate finance and restructuring; and
- acquisitions / joint ventures – experience in mergers and acquisitions, and joint venture business arrangements.

The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit.

The current Board composition addresses these desired skills, with further and full details of each director's skills and experience noted in the Directors' Report of the Company's 2019 Annual Report. The Board continues to assess and monitor this evaluation.

#### **RECOMMENDATION 2.3 – RECOMMENDATION FOLLOWED**

*A listed entity should disclose:*

*(a) the names of the directors considered by the board to be independent directors;*

*(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*

*(c) the length of service of each director.*

The names and terms of office of each director, and their status as executive/non-executive/independent, during the year ended 30 June 2019 were as follows:

Director	Status	Date of appointment	Date of resignation	Length of service at 30 June 2019
William Hu	Executive Director (Non-Independent)	30 July 2019	30 August 2019	N/A
	Non-Executive Chairman (Non-Independent)	30 August 2019	N/A (Current)	
Gang Xu	Non-Executive Director (Independent)	7 March 2019	30 August 2019	4 months
	Managing Director (Non-Independent)	30 August 2019	N/A (Current)	
Malcolm Castle	Non-Executive Director (Independent)	7 March 2019	N/A (Current)	4 months
Lewis Tay	Executive Chairman (Non-Independent)	21 January 2008	30 July 2019	11 years
Bin Wang	Non-Executive Director (Independent)	19 September 2011	30 July 2019	8 years
Bo Xin Dong	Alternate Director for Bin Wang (Independent)	7 December 2011	30 July 2019	8 years
Kenneth Charteris	Non-Executive Director (Independent)	3 February 2017	7 March 2019	2 years

The Company has accepted the definition of “independence” in the Recommendations in making the above assessments of independence.

No independent director (as stated above) has or had an interest, position, association or relationship of the type described in Box 2.3 of the Recommendations that is considered to compromise independence. Each director’s independence status is regularly assessed against Box 2.3.

#### **RECOMMENDATION 2.4 – RECOMMENDATION NOT FOLLOWED**

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

During the period from 1 July 2018 to 7 March 2019, two out of three directors, Mr Wang and Mr Charteris, were independent. During the period from 7 March 2019 to 30 July 2019, four out of five directors, Mr Wang, Mr Charteris, Mr Castle and Mr Xu, were deemed independent. Mr Tay was deemed non-independent given his involvement in the day to day running of the Company.

During the period from 31 July 2019 to 30 August 2019, two out of the three directors, Mr Gang and Castle, were independent. Mr Gang became Managing Director effective from 30 August 2019, resulting in the current Board comprising only one independent director, being Mr Castle. Mr Hu is deemed non-independent given his executive role during his first month of directorship.

The Board is aware of the importance of independent judgement and considers independence, amongst other things, when new appointments to the Board are made.

#### **RECOMMENDATION 2.5 – RECOMMENDATION NOT FOLLOWED**

*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 Executive Chairman of the Board during the year was Mr Lewis Tay. Given Mr Tay’s operational experience with the Company’s assets, the Board considered Mr Tay as being the most appropriate person to be Chairman of the Board. Mr Tay resigned on 30 July 2019, and Mr Hu was appointed as the Non-Executive Chairman of the Company on 30 August 2019.

**RECOMMENDATION 2.6 – RECOMMENDATION FOLLOWED**

*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.*

All new directors are provided with an induction including comprehensive meetings with the Chairman and/or Managing Director, and provision of information on the Company including Company and Board policies and other material documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company.

**PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**
**RECOMMENDATION 3.1 – RECOMMENDATION FOLLOWED**

*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.*

The Company has a formal Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct is located on the Company's website.

**PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**
**RECOMMENDATION 4.1 – RECOMMENDATION NOT FOLLOWED**

*The board of a listed entity should:*

*(a) have an audit committee which:*

- (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
- (ii) is chaired by an independent director, who is not the chair of the board,*  
*and disclose:*
- (iii) the charter of the committee;*
- (iv) the relevant qualifications and experience of the members of the committee; and*
- (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*

*(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.*

The Company has established an Audit and Risk Committee. Given the current size of the Company's Board, the functions of the Audit and Risk Committee are fulfilled by the full Board. The Executive Chairman of the Board (Mr Tay, who resigned on 30 July 2019) also chaired the meetings of the Audit and Risk Committee during the financial year and accordingly the Company did not comply with this Recommendation.

The Audit & Risk Committee's Charter is located on the Company's website.

Details regarding the directors' qualifications, experience and the number of times the Committee met throughout the reporting period is contained in the Director's Report of the Company's 2019 Annual Report, with the Committee deemed to be structured so that it has the relevant accounting and financial expertise required to discharge its responsibilities.

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is contained in the Director's Report of the Company's 2019 Annual Report.

**RECOMMENDATION 4.2 – RECOMMENDATION FOLLOWED**

*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.*

The Board has received a declaration in the form set out in Recommendation 4.2 from those who collectively fulfil the functions of chief executive officer and chief financial officer in relation to the financial statements.

**RECOMMENDATION 4.3 – RECOMMENDATION FOLLOWED**

*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.*

The Company's external auditor attends each AGM of the Company and is available to answer questions from security holders relevant to the audit.

BDO, the entity's external auditor, attended the 2018 AGM and will be attending the AGM this year, where they will be available to answer questions from security holders.

**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**
**RECOMMENDATION 5.1 – RECOMMENDATION FOLLOWED**

*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.*

The Company has a Continuous Disclosure Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market.

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

**PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**
**RECOMMENDATION 6.1 – RECOMMENDATION FOLLOWED**

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

The Company's website contains a separate section titled "Corporate Governance" which contains all key Corporate Governance documents including the Board and committee charters, Code of Conduct and other policies and procedures. The website also provides:

- copies of its annual reports and financial statements;
- copies of its announcements to ASX.

**RECOMMENDATION 6.2 – RECOMMENDATION FOLLOWED**

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company has a Shareholder Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure.

The Shareholder Communications Policy is available on the Company's website.

The Company's Continuous Disclosure Policy also outlines policies and requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

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

#### **RECOMMENDATION 6.3 – RECOMMENDATION FOLLOWED**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Shareholder Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies prior to a General Meeting if they are unable to attend the meeting.

The Board encourages the attendance of shareholders at the Shareholders' Meetings and sets the time and place of each Shareholders Meeting in advance to allow maximum opportunity for attendance by shareholders.

The Company provides information in the notice of meeting that is presented in a clear, concise and effective manner. Shareholders are provided the opportunity at general meetings to ask questions in relation to each resolution before they are put to the vote and discussion is encouraged by the Board.

#### **RECOMMENDATION 6.4 – RECOMMENDATION FOLLOWED**

*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 gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Shareholder Communications Policy.

The Company's share registry is maintained electronically by Security Transfer Registrars Pty Ltd. Their contact details are disclosed in the Corporate Directory of the 2019 Annual Report as well as the Company's website.

The Shareholders Communications Policy is available on the Company's website.

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

#### **RECOMMENDATION 7.1 – RECOMMENDATION NOT FOLLOWED**

*The board of a listed entity should:*

*(a) have a committee or committees to oversee risk, each of which:*

*(i) has at least three members, a majority of whom are independent directors; and*

*(ii) is chaired by an independent director,*

*and disclose:*

*(iii) the charter of the committee;*

*(iv) the members of the committee; and*

*(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*

*(b) if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company has established an Audit and Risk Committee to oversee risk whether financial, operational or otherwise. Given the size of the Company's Board, the functions of the Audit and Risk Committee are fulfilled by the full Board. The Executive Chair of the Board (Mr Tay, who resigned on 30 July 2019) also chaired the meetings of the Audit and Risk Committee during the year and as such, the Audit and Risk Committee did not satisfy the independence guidelines under Recommendation 7.1(a). However, the full Board maintains responsibility for ensuring a sound system of risk management and internal compliance and control has been implemented. These responsibilities are set out in the Board Charter. The Audit and Risk Committee is responsible for advising the Board on the system of internal controls and risk management and the financial reporting and audit process, and reviewing the effectiveness of the Company's risk management system and internal control framework. The Board Charter can be viewed on the Company's website.

The Audit & Risk Committee's Charter is available on the Company's website.

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is contained in the Director's Report of the Company's 2019 Annual Report.

#### RECOMMENDATION 7.2 – RECOMMENDATION FOLLOWED

*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*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

The Board undertakes a structured consideration and reviews, at least annually, the Company's risk management framework and the material risks faced by, and the risk attitude of, the Company, in accordance with the Company's Risk Management Policy. The risks identified are monitored on a continual basis and preventative measures are implemented as and when deemed necessary.

The Risk Management Policy is available on the Company's website.

In the reporting period, the Board undertook an informal review of the Company's risk management framework. Part of this review resulted in the appointment of a new Board with all previously directors resigning.

#### RECOMMENDATION 7.3 – RECOMMENDATION FOLLOWED

*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, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Board has considered the requirements under Recommendation 7.3 and determined not to establish an internal audit function, given the Company's size and the costs of implementing an internal audit function are likely to outweigh the benefits.

The Board as a whole is responsible for implementing the risk management framework to ensure the Company's material business risks are being managed effectively.

Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Chairman and/or Managing Director, Company Secretary and supported by relevant external professional advisers, as applicable.

The Risk Management Policy is available on the Company's website.

#### RECOMMENDATION 7.4 – RECOMMENDATION FOLLOWED

*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.*

The Company is listed on the ASX, however has been in suspension since 8 December 2016. ASX has imposed an requirement on the Company to re-comply with Chapters 1 and 2 of the ASX listing rules prior to the Company's shares being re-instated to ASX's official list. The Company will be required to re-comply with these requirements by 8 December 2019, being the three year anniversary of the suspension, or risk being removed as a listed company by ASX. The newly appointed Board (as described above), is currently working on satisfying the conditions for re-instatement. There is a risk that the Company might not be successful in its efforts and that the Company might be de-listed by ASX. This in turn might result in financial loss for both the Company and its shareholders.

The Company's primary operation of minerals exploration and mining development is speculative in nature and has risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. These risks include:

- **Exploration** – the Company's success depends on the identification of significant mineral reserves and resources, access to adequate capital to exploit those resources, favourable commodities prices, maintaining title to the Company's exploration tenements and obtaining all necessary regulatory consents and approvals for proposed exploration activities.
- **Title risks** – All tenements are held by the Company, with tenement management outsourced to a specialist service provider and overseen by the Company's management.
- **Environmental risks** – The operations and activities of the Company are subject to environmental laws and regulations, which can be amended by the relevant authorities from time to time. As with most exploration projects, there is an element of risk of impact on the environment, depending on the stage of those exploration activities. There is a risk therefore that the Company may incur an unforeseen liability under environmental laws.

- **Native title and Aboriginal heritage** – The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. If these rights exist in relation to any of the Company's areas of exploration, this may impact on the Company's ability to carry out those exploration activities.
- **Access to capital** – The Company will need to raise funding for exploration activities and working capital from time to time. However, there is no guarantee that such funding will be available.

In addition to the Company's mineral exploration interests, the Company holds 100% of the issued capital in U.S.A. Nongbiao Puruina Group Agricultural Holding Limited (Nong Biao), which in turn holds 75% of the issued capital in Shanghai Chen Mao Finance Lease Co., Ltd (Chen Mao). Chen Mao holds a financial leasing licence granted by the relevant authorities in Shanghai, China. Associated risks includes, but is not limited to :

- **Investment risk** – to complement the Company's exploration assets, it holds a 75% interest in a financial leasing business that operates in Shanghai, China. Whilst the Company undertook due diligence prior to acquisition in 2015, and seeks to continue to monitor that business's activities, the Company cannot fully mitigate the associated risks of that business including access to capital, financial/credit risks, operational risks, and its ability to maintain all necessary regulatory approvals and licences to continue to conduct the business. These are detailed more fully in the Company's Annual Report 2019.
- **Country risk** – offshore investment activities (namely China) increase the Company's exposure to foreign jurisdiction risks. These investments can be impacted by changes in fiscal or regulatory regimes, material differences in business standards and practices, or reversal of current political, judicial or administrative policies.
- **Foreign currency** – The Company may enter into transactions denominated in currencies other than Australian dollars (AUD). Therefore the Company is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the Australian dollars. The Group is mainly exposed to fluctuations in Chinese Yuan and Hong Kong Dollar through its operations (both overseas and in Australia). The Company does not currently utilise any hedging instruments.

The Company outsources key exploration activities to specialist providers who, pursuant to the engagement terms are required to operate in accordance with their own risk management policies and procedures.

The Risk Management Policy is available on the Company's website.

## PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

### RECOMMENDATION 8.1 – RECOMMENDATION FOLLOWED

*The board of a listed entity should:*

*(a) have a remuneration committee which:*

*(i) has at least three members, a majority of whom are independent directors; and*

*(ii) is chaired by an independent director,*

*and disclose*

*(iii) the charter of the committee;*

*(iv) the members of the committee; and*

*(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*

*(b) if it does not have risk 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 remuneration is appropriate and not excessive.*

The Company has not formed a separate remuneration committee. The Board considers that the Company is not currently of a size that the formation of a separate committee is justified at this time.

The full Board maintains responsibility for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The Board also carries responsibility for the approval of all remuneration matters and appointment terms for key service providers to the company. Details of the Board's remuneration responsibilities are set out in the Board Charter, which can be viewed on the Company's website.

Full details of director's remuneration are set out in the Remuneration Report contained in the 2019 Annual Report.



**RECOMMENDATION 8.2 – RECOMMENDATION FOLLOWED**

*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 Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors is set out in the Remuneration Report contained in the 2019 Annual Report.

**RECOMMENDATION 8.3 – RECOMMENDATION FOLLOWED**

*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 Company does not have an equity-based remuneration scheme. There are currently no options on issue or unvested entitlements for any Director. If any such entitlements are issued in the future, the Company's Securities Dealing Policy prohibits the holder from entering into any hedging arrangements prior to the vesting of the securities.

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

If any equity-based remuneration plans are adopted, the Board will be responsible for reviewing and making recommendations including ensuring compliance with relevant provisions of the ASX Listing Rules and Australian corporations law, as part of the Board's remuneration responsibilities set out in the Board Charter, which can be viewed on the Company's website.