

GEOPACIFIC RESOURCES LIMITED

ACN 003 208 393
and controlled entities

ASX code: GPR

2022 Corporate Governance Statement

GEOPACIFIC RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT 2022

This Corporate Governance Statement relates to the reporting period 1 January to 31 December 2022 and was reviewed and approved by the Board of Directors.

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

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

Where after consideration, the Company's corporate governance practices depart from the recommendations, this statement provides an explanation for the adoption of an alternative practice in compliance with the "if not, why not" reporting regime. All practices, unless otherwise stated, were in place for the entire reporting period ended 31 December 2022.

All Policies and Charters referred to in this Statement are available in the Corporate Governance page on the Company's website www.geopacific.com.au.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1.

A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

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

The Chief Executive Officer (CEO), supported by Senior Management, was responsible for the management of the day-to-day activities of the Company and in addition is responsible for advancing the strategic direction of the Company as set and monitored by the Board. Following the end of the reporting period, the CEO resigned effective on 1 January 2023 and the responsibilities were assumed by the Interim CEO until such time as a new permanent CEO is appointed.

The Company has established respective roles and responsibilities of its Board and Management, including matters expressly reserved to the Board and those delegated to Management. The roles and responsibilities of the Board and Management are further described and documented in the Company's *Board Charter*.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

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

A profile of each Director is included in the Company's Annual Report and the Company ensures that all information in its possession relevant to a Shareholder's decision on whether to elect or re-elect a Director is provided in the relevant Notice of Meeting. This recommendation is adopted in section 2.2 of the Company's *Board Charter*.

Recommendation 1.3

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

All Directors and Senior Executives of the Company have entered into written agreements. Directors and Senior Executives are provided with a formal letter of appointment that sets out the terms and conditions of their appointment including their duties, rights and responsibilities.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair on all matters to do with the proper functioning of the board.

The Company Secretary is appointed by the Board and has a dual reporting function to the CEO and the Board. The Company Secretary has a direct line of communication with the Chairman and all Directors on all matters to do with the functioning of the Board. The responsibilities of the Company Secretary are outlined in the Company's *Board Charter*.

Recommendation 1.5

A listed entity should:

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

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

The *Diversity Policy* provides the opportunity for the Board and relevant Committees to set measurable objectives for achieving gender diversity and to annually assess the objectives and progress in achieving those objectives for the Board, Senior Executives and the workforce. During the reporting period, no measurable objectives were set. The Board considered it to be impractical during the financing and project development phase to set measurable objectives for gender diversity.

The proportion of women on the Board, in Senior Executive positions and across the whole organisation as at 31 December 2022 are displayed in the table below:

Category	Proportion of Women	
	By Number	By Percentage
Whole Organisation	24 out of 93	26%
Senior Executive Positions	0 out of 2	0%
Board	0 out of 4	0%

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

Recommendation 1.6

A listed entity should:

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

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

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

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

The majority of Directors were appointed on 7 July 2022 following the Board renewal. A Board performance evaluation for the 2022 reporting period has not yet been conducted.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (b) disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.

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

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

An informal assessment of progress was carried out throughout the year and a formal evaluation of performance against the agreed targets takes place annually. The formal evaluation occurs in conjunction with goal setting for the next reporting period.

The CEO resigned effective from 1 January 2023 and as a result, a formal performance evaluation for the 2022 reporting period was not conducted.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director;
 - (iii) and disclose:
 - i. the charter of the committee;
 - ii. the members of the committee;
 - iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose the fact and the process it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

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

On 2 March 2022, in line with the organisational downsizing resulting from the decision to suspend the development of the Woodlark Project, the Board assumed the roles and responsibilities of the Nomination Committee and Remuneration Committee.

Recommendation 2.2

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

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

The table below outlines the key skills required to deliver the strategy, together with the skills brought by the Company's Directors:

Key Skills Required	Relevant Experience Directors at 31 December 2022
Corporate Governance	4
Geology	2
Project Development	3
Mining	2
Risk Management	3
Investor Relations	4
Corporate Transactions	4
Construction Management	1
Operations Management	1
Project Funding	4
Treasury	2
Accounting	2
Legal	2
Health and Safety	1
Environmental	1

Recommendation 2.3

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-
“Factors relevant to assessing the independence of a director” but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

At 31 December 2022, the Board consisted of four directors.

The table below outlines the Independent Directors of the Board and for each of those directors, their relevant period in office:

Name	Role	Period in Office
Michael Brook	Independent Non-Executive Director	< 1 year

Independent Director, Michael Brook did not hold Shares in the Company as at the date of reporting.

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

Name	Role	Period in Office
Andrew Bantock*	Chairman	< 1 year
Richard Clayton**	Director and appointed Interim CEO on 5 December 2022 effective from 1 January 2023	< 1 year
Hansjoerg Plaggemars***	Non-Executive Director and nominee of major shareholder	< 1 year

* Andrew Bantock became a director of the Company and assumed the role of Chairman 13 January 2022. Mr Bantock is an employee of FTI Consulting, a group who received fees from the Company during the reporting period for the provision of corporate services (see Note 26 of FY2022 Annual Financial Statements). Consequently, as a result of FTI Consulting receiving fees for corporate services only, Mr Bantock is not regarded as an independent director for the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition).

** Mr Tim Richards resigned as Chief Executive Officer of the Company effective 1 January 2023. On 5 December 2022, Non-Executive Director, Mr Richard Clayton agreed to assume the role of Interim CEO and held this position from 1 January 2023 to 14 April 2023. Consequently, effective from 5 December 2022, Mr Clayton is not regarded as an independent director at the end of the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition). Mr Clayton was considered an independent director from the date of his appointment in July 2022 until 5 December 2022 when he agreed to become Interim CEO.

*** Hansjoerg Plaggemars is a nominee of major shareholder, Delphi Unternehmensberatung Group, which held greater than a 20% interest on the Company at 31 December 2022. Consequently, Mr Plaggemars is not regarded as an independent director for the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition).

Recommendation 2.4

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

As at 31 December 2022, one out of the four Directors was independent. At this stage of its development, the Company considers that it is impractical to have a majority of independent directors. As the Company evolves, the Board will review its composition, the Board skills required and the need for additional independent directors.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Andrew Bantock became a director of the Company and assumed the role of Chairman 13 January 2022. Mr Bantock is an employee of FTI Consulting, a group who received fees from the Company during the reporting period for the provision of corporate services (see Note 26 of FY2022 Annual Financial Statements). Consequently, as a result of FTI Consulting receiving fees for corporate services only, Mr Bantock is not regarded as an independent director for the reporting period under the independence assessment factors set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition).

The Board considers that Mr Bantock's experience and skills are appropriate for his role as Chairman of the Board despite the fact that he is considered as not being an independent chairman as a result of FTI Consulting receiving fees for corporate services only. As the Company evolves, the Board will review its composition, the Board skills required and the need for additional independent directors, including the need for an independent chairman.

Recommendation 2.6

A listed entity should have a program for inducting new directors and periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

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

The Board which effective from 2 March 2022 has taken on the roles and responsibilities of the Nomination and Remuneration Committee, is tasked with periodically reviewing the need for Directors to undertake professional development or ongoing education relevant to their position to be able to participate fully and actively in Board decision making.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

A listed entity should articulate and disclose its values.

The Company has established a set of corporate values and these are included in the Induction Program for new employees, reinforced periodically with all staff. The Corporate Values Statement was amended during the 2021 reporting period to align with the revised Corporate Vision Statement:

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

A revised Corporate Values Statement was issued during the reporting period comprising the following five components:

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

Recommendation 3.2

A listed entity should:

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code

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

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

Recommendation 3.3

A listed entity should:

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

The Company has implemented a *Whistle-blower Policy* which is available to all employees and contractors and requires the Company Secretary to report a summary of all material incidents to the Audit and Risk Committee on an annual basis. All serious and/or material matters of Reportable Conduct are required to be immediately reported to the Chairperson of the Audit and Risk Committee.

The *Whistle-blower Policy* is available via the Company's website.

Recommendation 3.4

A listed entity should:

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

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

The *Anti-Bribery and Anti-Corruption Policy* is available via the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
 - (3) the charter of the committee;
 - (4) the relevant qualifications and experience of the members of the committee; and
 - (5) in relation to each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and rotation of the audit engagement partner.

The Board has established an *Audit & Risk Committee Charter* which is located on the Company's website.

On the 2 March 2022, in line with the organisational downsizing resulting from the decision to suspend the development of the Woodlark Project, the Board assumed the roles and responsibilities of the Audit & Risk Committee.

The *Audit & Risk Committee Charter*, which is available on the Company's website, outlines the Committee's role and responsibilities. It discloses the processes the Committee employs to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

No Audit & Risk Committee meetings were held during the reporting period.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating efficiently.

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

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

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Quarterly Activities Report for the Company is tabled, reviewed and approved by the Board before being released to the market.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

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

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company's *Continuous Disclosure Policy* is available on the Company's website.

The *Continuous Disclosure Policy* aims to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market.

Recommendation 5.2

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

All market announcements during 2022 were reviewed and approved by the Board before being released. The Company has a Delegations Policy that covers approval of announcements by the Chair and the CEO in situations where an urgent announcement is required under the Company's continuous disclosure obligations.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

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

The Company's website www.geopacific.com.au is the primary means to provide information regarding the Company and details pertaining to its governance.

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

Recommendation 6.2

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

The Board aims to ensure that shareholders are informed of all major developments regarding the Company and its projects. The Company has established a *Continuous Disclosure Policy* and a *Shareholder Communications and Investor Relations Policy* that guide the activities of the investor relations program.

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

Recommendation 6.3

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

The Company encourages full participation of shareholders at the General Meetings of the Company and the Chair provides all members a reasonable opportunity to ask questions or make comments on the management of the Company.

Shareholders are encouraged to attend and participate in meetings. Due to the health risk uncertainties resulting from the COVID-19 Pandemic, the Company adopted a hybrid meeting format for its 2022 AGM to allow Shareholders to participate in the meeting either in person, or by telephone.

Shareholders are also given the opportunity to appoint a proxy, attorney or representative to vote on their behalf on the resolution(s) proposed at the relevant meeting.

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

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

All resolutions put to Shareholders at the 2022 AGM held on 31 May 2022 were decided by a poll.

Recommendation 6.5

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

The Company gives the option and encourages Shareholders to engage in communication the entity and its security registry electronically.

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1

The board of a listed entity should:

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

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

On 2 March 2022, in line with the organisational downsizing resulting from the decision to suspend the development of the Woodlark Project, the Board assumed the roles and responsibilities of the Audit & Risk Committee.

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

The *Board Charter* also discloses the processes employed by the Board who is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's risk and compliance systems. No meetings of the Audit & Risk Committee were held during the reporting period.

Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Company has established a risk management framework. The Board (assuming the role of the Audit and Risk Committee) considers whether the framework remains appropriate for each reporting period and this has occurred for the 2022 financial year.

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

The Enterprise Risk Management Framework was established with reference to the Australia/New Zealand Standard for Risk Management (AS/NZ ISO 31000:2009) and associated Guidelines (HB 436:2013). The Enterprise Risk Management Framework outlines the overall risk management process, including the risk assessment criteria which will be used to identify and evaluate material risks. The Enterprise Risk Management Framework is governed by a Risk Management Policy.

At 31 December 2022, the Company had identified the following material exposures:

Risk	Description	Risk Management Approach
Funding risk	Inability to source or make timely access to funding	The Company maintains control of future commitments and expenditure and closely monitors its performance against conditions of access to funding arrangements from third parties.
Project economic viability risk	Uncertainty that the Project is economically viable	<p>The fact the Company plans to prepare the Pre-Feasibility Study for the Project does not mean that the Project is economically viable. Until all the parts of the Pre-Feasibility Study are known and analysed, there can be no certainty that an Ore Reserve estimate will be capable of being defined.</p> <p>If during the preparation of the Pre-Feasibility Study, the Company becomes aware of new information that indicates the Project may not be economically viable, the Company may not complete the Pre-Feasibility Study and may not be in a position to prepare an Ore Reserve Estimate. The conclusions from the proposed Pre-Feasibility Study are unknown and uncertain at the date of this Prospectus.</p>
Mining risks and Ore Reserve and Mineral Resource estimates	Uncertainty that Ore Reserve and Mineral Resource estimates represent the entire ore body	<p>When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted.</p> <p>Ore Reserve and Mineral Resource estimates are not precise calculations but based on interpretation and samples from drilling which, even at close drill hole spacing, represent a small sample of the entire ore body. Though the estimates may be accurate global approximations of gold content, localised grade variability may exist, which could result in short term deviation from production expectations.</p> <p>Further, reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through additional drilling and analysis, Ore Reserve and Mineral Resource estimates are likely to change. This may result in alterations to the Company's exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position.</p>
Commodity prices, foreign exchange rates and inflation	Risk that fluctuation in in commodity prices and exchange rates adversely affect the financial outcomes for the Project	<p>The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD/USD/PNG Kina exchange rates.</p> <p>Financial performance and the ability to raise finance from equity and/or debt sources will be highly dependent on the prevailing commodity prices, capital costs, operating costs and exchange rates.</p> <p>These prices along with other inputs to capital and operating costs can fluctuate rapidly and widely, and are affected by numerous factors beyond the control of the Company including,</p>

		<p>among others, expectations regarding inflation, the financial impact of movements in interest rates, global economic trends and confidence and conditions, each of which are currently experiencing material changes.</p> <p>The mining industry has seen numerous recent examples of material capital and operating cost increases driven by input cost escalation and global supply chain pressures. Such inflationary pressures have previously impacted the Project.</p>
Exploration on the Woodlark Gold Project	Uncertainty that future exploration will enable the completion of a feasibility study and enable a new Ore Reserve estimate to be produced	<p>During the 2022 calendar year, the Company undertook an exploration program and on 23 December 2022 announced an updated Mineral Resource estimate for Woodlark.</p> <p>Exploration is inherently risky and there is no assurance that it will be successful. The Company's ability to develop a mining operation will depend to a significant degree on the success of its exploration program, its ability to complete feasibility studies and prepare a new Ore Reserves estimate, the costs of developing the optimised Woodlark Gold Project and anticipated returns from the Project.</p>
Tenure and approvals	Risk of doing business in a foreign jurisdiction	<p>The Company is subject to the PNG mining legislation and the Company has an obligation to meet the conditions that apply to its tenements. Tenements are subject to periodic renewal.</p> <p>On 28 April 2022, the Minister for Mining in PNG granted a further amendment to the conditions of ML 508 (on which the Woodlark Gold Project is situated), which extends the requirement for the completion of construction and commissioning of the Project out to 5 July 2024. It is expected that a further extension of the date for satisfaction of these conditions will be required for future development of the Woodlark Gold Project. In addition, the expiry date for ML 508 is 4 July 2034, which may also require extension to match future life of mine plans and potential project extensions. Whilst past extensions granted by the PNG Government provide some comfort, there is no guarantee that the PNG Government will grant additional extensions when required.</p> <p>The Company currently holds all material authorisations required to undertake its exploration program and the current development design for the Project. If the scope and/or design of the Project is materially varied, the Company may require the grant of new permits approvals and licences, or material amendments to existing ones. For instance, changes to the location of infrastructure such as the process plant or the wharf, changes to the scale of the processing plant and/or annual production could be expected to require new authorisations, or updates to previously obtained permits, approvals and licences and further reviews or studies may be required to address any environmental impact from any material changes to the Project.</p> <p>The grant of permits approvals and licences are, as a practical matter, subject to the discretion of applicable PNG Government agencies or officials and, in some cases, require the approval of or consultation with the local community, potentially involving additional relocation, compensation, delays and costs. There is no guarantee that any required approvals, licences or permits will be granted, renewed or amended or obtained in a timely fashion.</p> <p>There is a risk that amendments to the environment permit may be required from the PNG Government, either for further compliance criteria or to reflect environmental impact changes</p>

		<p>from a change of scope of the Woodlark Gold Project, resulting in the Company incurring further delays whilst waiting on approvals to be received.</p> <p>As announced on 30 November 2020, the Company engaged with key Project stakeholders in respect of a range of matters, including royalty interests and local ownership requirements, which culminated in the preparation of a draft, non-binding Memorandum of Agreement (which remains unsigned).⁷ These matters continue to require negotiation with a number of stakeholders including relevant PNG Government bodies and there can be no guarantee that these negotiations will be finalised on terms or within a timeframe proposed by the Company or at all.</p>
Financing risk	Uncertainty whether the Company can raise sufficient funds to develop the Woodlark project	<p>If a decision to continue to progress the development of the Woodlark Gold Project is made following the completion of the appropriate feasibility studies, The Company would require significant new debt and/or equity funding.</p> <p>The Company's ability to successfully access the equity capital markets and/or financing credit markets will depend on a range of project related factors such as:</p> <ul style="list-style-type: none"> • forecast financial returns; • environmental factors such as the proposed deep sea tailings deposition; • social factors such as the village relocation; and • the implementation capability of the Company at that time. <p>In addition, other factors which are outside of the control of the Company may impact the ability to successfully access funding markets including market sentiment and investor and lender requirements which may change over time, such as environmental, social and governance requirements.</p>
Mining and development risks	Construction and contractor risk	<p>Any future development and construction of the Woodlark Gold Project will be subject to typical construction risks including usual risks of delays, design and/or quality issues, pricing and cost overruns and variations, contractor performance and claims by or against the Company.</p> <p>Given the remote location of the Company's operations, some of these exposures are exacerbated. For example, if a suitable in country contractor cannot be contracted, a foreign contractor may be required, which may result in increased labour, logistics, and equipment costs and potential project delays.</p>
People risk	Ability to hire personnel with the requisite skills and experience to successfully implement the Company's future plans	<p>The Company is dependent on the experience, expertise and abilities of its Board and management team in overseeing the day-to-day operations of the Company, particularly due to its remote location.</p> <p>The Company is seeking to ensure its management team and Board have the requisite skills to successfully implement its future plans.</p> <p>The failure to recruit and retain a team with appropriate experience and expertise to the Company may have an adverse effect on the performance of the Company and its plans for the Project.</p> <p>As the Company grows and moves to different stages of development, it will need to employ and retain appropriately motivated, skilled and experienced staff. Difficulties in attracting</p>

		<p>and retaining such staff may have an adverse effect on the performance of the Company.</p> <p>The timing of hiring a Chief Executive Officer and a management team who have the requisite skills and experience to successfully implement the Company's future plans is inherently uncertain.</p>
Supply chain and logistics risks	Disruptions to supply chain can impact Company operations	<p>Supply chain disruptions and the general level of economic uncertainty experienced during events such as the COVID-19 pandemic and other global events such as the conflict in Ukraine, continue to impact the cost and availability of freight, materials, equipment and other services required for the ongoing Company operations.</p> <p>While the direct impact of some of these events on the Company and its operations has subsided, uncertainty remains regarding the potential for further disruptions and interruptions from similar such events, which may have an adverse impact on the Company and its plans.</p>
Country Risk	A number of political and social issues could affect the Company's PNG operations	<p>Any future material adverse changes in government policies or legislation that affect ownership, mineral exploration, development or mining activities in which the Company operates, may affect the viability and future profitability of the Company. In particular, the PNG Government has previously experienced, and may in future experience, significant political instability and economic and fiscal issues, some or all of which could directly and indirectly affect the PNG economy and the operations and financial position the Company.</p> <p>The Company's ability to acquire, retain and gain full value from assets may also be affected by a number of political and social issues such as differing political agendas and decision making, environmental and social policy and the impact of bribery and corruption. Further, the media, non-government organisations and other activists may or may not play an increasing role at local, national and international levels influencing political policy, societal perception and community actions or otherwise impacting the organisation's reputation. In addition, the legal systems operating in foreign jurisdictions are different to those operating in Australia and may result in further risks in seeking redress or enforcing judgments.</p> <p>Currently in PNG, there are a range of potential political matters which create uncertainty. While past actions lead the company to believe that the Project is supported in principle by the PNG Government authorities, the Company and the future development of the Project remains dependent on the continued support of key PNG stakeholders, including PNG regulatory authorities. For example, development will remain dependent on the continuation or grant of a gold export license issued by the relevant PNG authorities (including the Bank of PNG) and prevailing PNG Government requirements to make payments in Kina.</p>
Unable to realise further funding from the sale of long lead items	Uncertainty on realisable value of certain assets	<p>A number of long lead equipment items are either held directly or pending agreed transfer of title from suppliers, and have a materials acquisition cost of over \$21 million.</p> <p>The Company has received some expressions of interest, in part driven by global supply shortages, ongoing inflationary cost pressures and increases in procurement lead times. The sale of these assets could provide additional material cash funding, if required. Any sale will be considered in light of the future Project design and configuration.</p>

		Both the timing and quantum of any potential sale of such items is inherently uncertain. The sale of such items could result in the recognition of a loss on disposal in the event they are sold for an amount less than carrying value. This would have a consequential negative impact on earnings.
Community	Long term nature of community development program	<p>The community relocation program is continuing and in Q1 2023 transitioned to a self-performed model for the completion of 98 near complete houses.</p> <p>The Company has received positive responses from the community and PNG regulatory bodies as to the quality of the new houses, school, churches, clinic and trade stores that have been delivered.</p> <p>The Company's community development programs focus on long term and responsible economic growth and standard of living improvements.</p> <p>The Company supports the development of government service improvements in the areas of health, education, law, and order.</p>
Climate change	Exposure to natural events – Climate Change	<p>There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change, prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, volcanic activity and earthquakes) may have an adverse effect of the Company's operations and/or the Company's future financial performance. This could result in increased costs and or reduced revenues which could impact the Company's financial performance and position.</p> <p>Changes in policy, technological innovation and/or consumer or investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its product, particular in the event of a transition to a lower carbon economy.</p>

Recommendation 7.3

A listed entity should disclose:

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

The Company does not have an internal audit function. The Board oversees the effectiveness of the Company's risk management and internal control processes. The *Audit & Risk Committee Charter* outlines action points for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

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

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for settling the level and composition of remuneration for directors and senior executives and ensuring that such remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

In February 2020, the Board approved a *Remuneration Committee Charter* which is located on the Company's website. The Charter outlines the process employed for setting the remuneration of Directors and Senior Executives and ensuring that such remuneration is appropriate.

On 2 March 2022, in line with the organisational downsizing resulting from the decision to suspend the development of the Woodlark Project, the Board assumed the roles and responsibilities of the Remuneration Committee.

No meetings of the Remuneration Committee were held during the reporting period.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

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

The Company's remuneration report for the 2022 reporting period is available in the Company's financial report for year end 31 December 2022.

Recommendation 8.3

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

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

The *Remuneration Committee Charter* discloses guidelines on the Company's equity-based remuneration scheme for Executive and Non-Executive Directors.

The Company's *Securities Trading Policy* which is located on the website under the Corporate Governance page, prohibits participants of the equity-based schemes from entering into transactions or arrangements

which limit the economic risk of participating in unvested entitlements under any such equity-based remuneration scheme.