



## CORPORATE GOVERNANCE STATEMENT

### 1. Introduction

Effective corporate governance is critical for the long-term success of QMINES Limited (**QMINES** or **Company**). The board of the Company (**Board**) is committed to maintaining and enhancing a strong corporate governance framework for the Company and is responsible for the overall corporate governance of QMINES.

The Board monitors the operational and financial position, and overall performance of QMINES and oversees its business strategy, including approving its strategic goals. The Board is committed to maximising performance, generating shareholder value and financial returns, and sustaining the growth and success of the Company.

With these objectives in mind, the Board seeks to ensure that QMINES is properly managed and ensure the Company, its directors (**Directors**), officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing QMINES, including adopting relevant internal controls, risk management processes, and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of QMINES.

### 2. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its fourth edition of the corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines. However, under the Listing Rules, QMINES will be required to provide an annual corporate governance statement disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where QMINES does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The Company's current departures from the ASX Recommendations are included in Section 3 below.

The key aspects of the Company's corporate governance practices are summarised below. These charters and policies are available on its website at <https://qmines.com.au/corporate-governance/>.

### 3. Compliance with Recommendations

QMINES currently complies with 28 of the 35 ASX Recommendations, which are relevant to the Company. Given the nature and scale of the Company, the Board believes its compliance with the ASX Recommendations to be appropriate at this time.

The ASX Recommendations the Company does not comply with are:

- Recommendation 1.5: While the Board has adopted a Diversity Policy, it has not set measurable gender diversity objectives at this time and does not intend to until it is of a sufficient size and structure to benefit from these objectives. The Board currently has a policy

of appointing the best person for the job. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation is disclosed in Section 7 below;

- Recommendation 2.1: The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.
- Recommendation 2.4: The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board is currently comprised of one independent and two non-independent directors. See Section 4 below for further information.
- Recommendation 2.5: The Chair of the Company is not an independent Director however he is not the CEO/Managing Director. The Board does not have an independent Chair and considered this appropriate at this time due to the Company's current size and Board structure;
- Recommendations 4.1 and 7.1: While QMines has an Audit and Risk Committee chaired by an independent director, there is only one non-executive and independent director, and the Committee has only two members (instead of the required three). However, despite the reduced number, the current Committee is confident that it has the skills, capacity and capability to independently verify and safeguard the integrity of the Company's financial statements and reporting, including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner and oversee the Company's risk management framework. The Company intends to re-assess the structure of this Committee following the appointment of one or more additional Directors (as and when that occurs in the future); and
- Recommendation 8.1: It is the Company's intention to establish a Remuneration Committee at the appropriate time. In the meantime, the Board oversees the fixing of remuneration for the Directors, the Managing Director and direct reports to the Managing Director and ensures such remuneration is appropriate and not excessive.

#### **4. Board of Directors**

The QMines Board is comprised of three directors, only one of whom is independent:

**Mr. Andrew Sparke (B. Bus (Marketing), M.Fin, GAICD)**; Executive Chairman, appointed 26 April 2017, age 38.

Mr Sparke has over 15 years' experience in managing IPO's, private placements, secondary market transactions, and listed company compliance. Mr Sparke is the founder of Olive Capital, an Australian boutique investment house that has advised numerous ASX listed companies on capital raising and corporate transactions.

Between January 2014 and December 2018, Mr Sparke was a director of Lanstead Investors Pty Ltd, a UK based investment fund. Under his guidance, the fund invested in a number of ASX listed resource companies.

Mr Sparke was formerly a Director of Alt Resources Ltd (ASX:ARS), which was recently acquired by a private equity group, , non-executive chairman of Torian Resources Ltd (ASX:TNR) from which he resigned in April 2018, and currently non-executive director of Tillegrah Limited.

Mr Sparke holds a Bachelor of Business (Marketing) and a Masters in Finance and is a Graduate Member of the Australian Institute of Company Directors (GAICD). Mr Sparke is a member of the Audit & Risk Committee.

**Mr. Daniel Lanskey (Grad. Cert. Entrepreneurship and Venture Capital)** Managing Director, appointed 13 August 2020, age 59.

Mr Lanskey has over 20 years' experience in senior management/director roles in the resources, oil and gas and cannabis industries. He was a founder and the managing director of Austex Oil Limited (ASX:AOK) from 2006 to 2015. During this time Mr Lanskey grew the annual revenue from start-up to \$US30 million per annum.

Mr Lanskey is currently a non-executive director of Macarthur Minerals Limited (ASX:MIO, TSXV:MMS) and Timeless Capital Corp (TSXV:TLC) and Tillegrah Limited. He is a former director of Raya Group Limited (ASX:RYG), Pryme Energy Limited (ASX:PYM) and Needle Capital Corp (TSXV:NEDL).

Mr Lanskey holds a Graduate Certificate in Entrepreneurship and Venture Development from Griffiths University in Queensland. He is also a member of the Australian Institute of Company Directors. (AICD)

**Ms. Elissa Hansen (B.Com, Grad. Dip. Applied Corporate Governance, GAICD, FGIA, FCG (CS));** Non-executive, independent director, appointed 28 August 2020, age 48.

Ms Hansen is a chartered secretary with over 20 years' experience as a company secretary and corporate governance professional.

She has worked with company boards and management on a range of ASX listed companies including assisting a number of organisations through the IPO process. She is experienced in the specific requirements of companies in many industries, including resources, information technology, industrials and biotechnology.

Ms Hansen is currently a director of Zoono Group Limited (ASX:ZNO) and was previously a director of Torian Resources Limited (ASX:TNR) (resigned April 2018).

Ms Hansen is a Fellow of the Governance Institute of Australia and Graduate Member of the Australian Institute of Company Directors. She holds a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance.

Ms Hansen is Chairman of the Audit and Risk Committee.

### ***Independence***

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of QMines. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear

on issues before the Board and to act in the best interests of QMines and its securityholders generally.

The Board considers that Elissa Hansen is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each she is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Andrew Sparke is currently considered by the Board not to be independent on the basis that he is the Executive Chairman of QMines and has an interest in 24,200,000 shares in the Company.

Daniel Lanskey is currently considered by the board not to be independent on the basis that he is the Managing Director and has an interest in 5,306,625 Shares in the Company.

The Board currently consists of one independent Director and two non-independent Directors. This is not consistent with Recommendation 2.4 of the Corporate Governance Recommendations, however, the Directors believe that given the speculative nature of the Company's business, and its limited scale of activities, the Company only needs, and can only commercially sustain, a small Board of three (3) Directors and at least two (2) Directors need to be executive Directors for the Company to be effectively managed. QMines considers it necessary, given its speculative and small-scale activities, to attract and retain suitable Directors by offering Directors an interest in the Company; and to provide remuneration to its Directors in the form of securities in order to conserve its limited cash reserves.

#### ***Director Appointment, election and re-election***

The Company will undertake appropriate checks before appointing and/or putting forward any person as a candidate for election as a Director and will provide security holders with all material information in its possession relevant to the election (or re-election) of each Director.

The Company has a written agreement with each Director setting out the terms of their appointment. The Company also has a written agreement with each senior executive setting out the terms of their appointment.

Under QMines' Constitution, with the exception of the Managing Director, Directors may not hold office without election beyond their third Annual General Meeting (AGM) following their election or most recent re-election. Any director appointed to fill a casual vacancy since the previous AGM, must submit themselves for election at the next AGM.

#### ***Role and Responsibilities of the Board***

The Board's role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the Managing Director).

The Managing Director is responsible for the day-to-day management of the Company, supported by the Company's senior executives. However, the ultimate responsibility for governance and strategy resides with the Board.

#### ***Structure and Composition of the Board***

QMines is committed to ensuring the composition of the Board includes Directors who bring the appropriate mix of skills, experience, expertise and diversity to Board decision making. It

considers that having a diversity of skills background, knowledge and gender are important to effectively govern the Company.

The Board considers that its Directors and Senior Management have the necessary skills and experience to discharge their responsibilities.

Director skills/experience matrix during the period:

<b>Skill/Experience</b>	<b>Board</b>
<b>Total Number of Directors</b>	3
<b>Financial Acumen</b> Experience in financial accounting and reporting, corporate finance and internal financial controls	3
<b>Commercial Capability</b> Broad range of commercial skills and experience including undertaking corporate transactions	3
<b>Strategy</b> Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities	3
<b>Resources Industry</b> Knowledge and experience in the resources industry.	2
<b>Risk</b> Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems	3
<b>Investor Relations</b> Understanding of investor relations and the steps required to develop long-term value for shareholders	3
<b>Regulatory Compliance</b> Understanding of the regulatory environment and steps required to ensure compliance with relevant laws, policies and regulations	3

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity
- Focus on the material issues
- Think strategically and take an organisation-wide perspective
- Understand the external environment and deal with pressure from external sources
- Influence effectively at the board table
- Respect alternative viewpoints
- Hold management accountable

### ***Board Performance Evaluation***

QMiner is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

The Board will conduct regular evaluations of its performance, the performance of its Committees, the Chairman and individual Directors. This includes assessment, review and analysis of how the Board, Committees and Directors function, time spent considering matters and whether the Board and the Committees have complied with their respective Charters. In its evaluations, the balance of skills, experience, independence and knowledge will all taken into consideration as well as how the Board works together as a unit.

### ***Professional Development***

The Board intends to regularly review whether the Directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and its Committees effectively and, where gaps are identified, consider what training or development could be undertaken to fulfil those gaps.

### ***Remuneration***

QMiner does not have a formal Remuneration Committee at this time. The full board oversees the fixing of remuneration for the Directors and the Managing Director and his direct reports and ensures such remuneration is appropriate and not excessive. While the Managing Director is directly responsible for setting the remuneration of other members of the team, the Board provides advice to the Managing Director on these issues.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

### ***Nomination***

QMiner does not have a nomination committee. The Board as a whole is responsible for Board succession issues and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to discharge its duties and responsibilities effectively.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

### ***Induction***

The Board will provide an induction program to all new Directors.

## **5. Board Committees**

To assist the Board in discharging its duties efficiently and effectively, it has established an Audit and Risk Committee (and will establish a Remuneration Committee when appropriate for the Company). Each Committee operates within its Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee.

Each established committee will meet as required and no less than twice a year.

### ***Audit and Risk Committee***

The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Company does not comply with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Committee. The Committee has only two members, only one of whom is independent. The Committee is chaired by an independent director who is not the chairman of the Board. The Committee will comprise of Elissa Hansen (Chair) and Andrew Sparke.

The Audit and Risk Committee Charter is available at <https://qmines.com.au/corporate-governance/>.

The Board will review of the Company's risk management framework at least annually. Should the Company determine it has any material exposure to economic, environmental or social sustainability risks, it will disclose how it will manage those risks.

### ***Remuneration Committee***

The Board intends to establish a Remuneration Committee when appropriate for the Company and has adopted a Remuneration Committee Charter in anticipation of forming the committee. Given the size of the Company's management team, it believes this is appropriate at this time. A copy of the Remuneration Committee Charter is available at <https://qmines.com.au/corporate-governance/>.

Information on the remuneration of the Directors and senior executives is provided in the Company's Prospectus and will be provided annual in the Remuneration Report found in the Company's Annual report.

QMiners intends to grant awards to employees as part of their remuneration under the Employee Securities Incentive Plan. In accordance with the Employee Securities Plan Rules, the Offer to employees restricts dealings with employee securities except with prior written consent from the Board. Details of any awards issued will be advised to ASX and detailed in the Company's Annual Report.

### ***Company Secretary***

Ms. Elissa Hansen was appointed on 4 August 2020 as the Company Secretary. She is accountable directly to the Board on all matters to do with the proper function of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter.

## **6. Senior Executives**

Senior executives manage the day-to-day tasks of the Company under the guidance and direction of the Managing Director. QMiners recognises the importance of its senior executives to the Company's growth and performance. Accordingly, the Company will undertake regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The Managing Director will review the performance of senior executives annually. These evaluations will assess the completeness and effectiveness of each senior executive in meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its corporate goals and whether the executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

## **7. Diversity**

QMiner is committed to diversity and inclusion in its workplace and has adopted a formal Diversity Policy. The Company will develop formal Measurable Objectives to meet the objectives of the Diversity Policy as it grows and will report these together to its progress against these measurable objectives annually.

Current proportions of men and women on the board and senior executives are as follows:

Board: 66.7% male, 33.3% female

Senior Executives: 100% male

## **8. Values**

QMiner's values include:

- Safety: Ensuring our own health and safety and the health and safety of our colleagues.
- Integrity: Being honest, transparent and accountable in all business dealings.
- Performance: Focus on excellence through teamwork and diligence to deliver value to all shareholders.
- Innovation: Fostering innovation, enterprise and courage within the organization.
- Respect: Respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

### ***Ethical and Responsible Behaviour***

QMiner is committed to acting ethically and responsibly, including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

### ***Code of Conduct***

QMiner's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behaviour and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees.

Failure to comply with the Code is viewed as a serious matter which may lead to disciplinary action including dismissal and/or legal action.

A copy of the Code can be found at <https://qmines.com.au/corporate-governance/>.

### ***Conflicts of Interest***

QMiner's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the Corporations Act 2001 (*Cth*), Directors who have a material personal interest in a matter must not be present whilst the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to the issue if they are satisfied that the interest should not disqualify the Director/s from voting or being present.

### ***Whistleblower***

QMiner's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment.

The policy is made available to all officers, employees and contractors and can be found at <https://qmines.com.au/corporate-governance/>.

### ***Anti-bribery and Corruption***

Compliance with QMines's Anti-bribery and Corruption Policy is foundational to the Company's values, reputation and standing in the wider community.

The Company prohibits bribery and corruption in all dealings in every country. QMines's Anti-bribery and Corruption Policy applies to all dealings whether they be with private organisations, individuals, domestic or foreign governments, or their representatives.

A copy of the Anti-bribery and Corruption Policy can be found at <https://qmines.com.au/corporate-governance/>. The Board must be notified of any material breaches to this policy.

### ***Anti-corruption and Fraud***

QMines has zero tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for our business partners, customers and shareholders.

The Company recognises that compliance with local and international bribery and anti-corruption laws is essential to protect its reputation and preserve its ability to continue to develop its business.

QMines has adopted a Fraud and Corruption Policy which reinforces the Board, senior management and employees' commitment to refraining from corrupt and fraudulent conduct and its responsibility for identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities. A copy of the policy is available at <https://qmines.com.au/corporate-governance/>.

### ***Dealing in QMines Securities***

QMines has adopted a Share Trading Policy applicable to Directors, employees and associates which prohibits a person from trading or dealing in the Company's securities if they are privy to insider information. Further, a Director or their associates, may only deal in the Company's securities when they do not have any inside information and during a trading window.

A copy of the Policy is available at <https://qmines.com.au/corporate-governance/>.

### ***Internal Audit***

The Company does not have an internal audit function. Due to its size and current activities, the Board does not believe that an internal audit function is warranted at this time. The Board evaluates and monitors internal control processes in order to continually improve the effectiveness of its risk management practices and will re-evaluate the Company's requirement for an internal audit function as the Company grows.

### ***CEO and CFO Declaration***

The Board will receive a declaration from both the CEO (Managing Director) and CFO (if any), that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board will approve the Company's financial statements.

### ***Verification of Periodic reports***

QMiner will be required to release quarterly cashflow and activity reports. These will not be audited or reviewed by an external auditor. The Company will embed processes to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions.

## **9. Market Disclosure and Shareholder Communications**

QMiner believes effective communication with its shareholders, potential shareholders and other market participants is of utmost importance for any listed company and is committed to promoting the highest standards of disclosure to ensure a fully informed market.

QMiner has established a Shareholder Communication Policy to promote effective communication with shareholders and encourage effective participation at general meetings. Included in this is the requirement for the Company to provide information about itself and its governance to investors via its website. A copy of the Shareholder Communication Policy is available at <https://qmines.com.au/corporate-governance/>.

QMiner has also provided shareholders with the opportunity to elect to receive communications from the Company electronically and can send communications to the Company and the share registry electronically.

### ***Continuous Disclosure***

QMiner has continuous disclosure obligations arising from legislation and the ASX Listing Rules. To safeguard the effective dissemination of information and to ensure the Directors and employees are aware of their obligations, the Company has adopted a written Market Disclosure Protocol to establish the procedure to ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act 2001 (*Cth*).

A copy of the Protocol is available at <https://qmines.com.au/corporate-governance/>.

The Board approves all material announcements prior to lodgment with ASX and receives copies of all material markets promptly after they have been made.

Any new investment and/or analyst presentations are lodged and released on ASX prior to any such presentation being made to any other party.

### ***Investor relations***

QMiner has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of QMiner's business, governance, financial performance and prospects.

### ***Website***

Information about QMiner Group Limited and its governance policies and practices are available on the Company's website at <https://qmines.com.au>.

### ***Electronic Communication***

QMiner gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. Shareholders are encouraged to update their communication preferences and elect to receive all communication electronically with the share registry at <https://www.investorserve.com.au/>

***Annual General Meeting***

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. QMines encourages shareholder participation at its AGM as an opportunity to allow the Board to listen and respond to shareholder feedback.

The Company ensures that its external auditor attends all AGMs and is available to answer queries from shareholders relevant to the audit and any substantive resolutions are decided by a poll rather than a show of hands.