

Corporate Governance Statement

Great Boulder Resources Limited ACN 611 695 955 (Company)

Overview

The Company's Board of Directors (**Board**) is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making. Accordingly, the Company has, where appropriate, sought to adopt the 'Corporate Governance Principles and Recommendations' (Third Edition) (**ASX Recommendations**) published by the ASX Corporate Governance Council.

The corporate governance principles and practices adopted by the Company may depart from those generally applicable to ASX-listed companies under ASX Recommendations where the Board considers compliance is not appropriate having regard to the nature and size of the Company's business and operations.

The Company sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practice departs from the ASX Recommendations, to the extent that they are currently applicable to the Company.

This statement is current as at 29 September 2020 and has been approved by the Board.

ASX Corporate Governance Principles and Recommendations

1. Principle 1: Lay a solid foundation for management and oversight – companies should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated

1.1 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.

Compliance with ASX Recommendation: followed

The Company has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management.

Under the Board Charter, the Board is responsible for the overall operation and stewardship of the Company and, in particular, is responsible for:

- (a) providing leadership and setting the strategic objectives of the Company;

- (b) appointing the Chairperson of the Board;
- (c) appointing, and when necessary replacing, the Managing Director (or the chief executive officer, if applicable);
- (d) approving the appointment, and when necessary replacement, of other senior executives;
- (e) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (f) approving operating budgets and major capital expenditure;
- (g) overseeing the integrity of the Company's accounting and corporate reporting systems and financial controls, including the external audit;
- (h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (i) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (j) approving the Company's remuneration framework;
- (k) monitoring the effectiveness of the Company's governance practises;
- (l) ensuring procedures are in place for ensuring the Company's compliance with the law;
- (m) ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility; and
- (n) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company.

A copy of the Board Charter is available at www.greatboulder.com.au.

1.2 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 relevant to a decision on whether or not to elect or re-elect a director.

Compliance with ASX Recommendation: followed

The Company will conduct background checks of candidates for new Director positions prior to their appointment or nomination for election by shareholders, including checks as to good character, experience, education, qualifications, criminal history and bankruptcy.

The Company does not propose to conduct specific checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that this is not considered necessary given that each Director was required to submit to the ASX 'good fame and character' assessment during the Company's admission to the official list of ASX.

As a matter of practise, the Company will include in its notices of meeting a brief biography and other material information in relation to each Director who stands for election or re-election. Each biography will set out (amongst other things) the relevant qualifications and professional experience of the nominated Director for consideration by shareholders.

1.3 Recommendation 1.3

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

Compliance with ASX Recommendation: followed

The Company seeks to engage or employ its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.

The Company's Managing Director is employed pursuant to a written Executive Services Agreement with the Company and each Non-Executive Director is engaged under a letter of engagement.

1.4 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.

Compliance with ASX Recommendation: followed

In accordance with the Board Charter, the Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and co-ordinates circulation of meeting agendas and papers.

1.5 Recommendation 1.5

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.

Compliance with ASX Recommendation: followed

The Company has adopted a Diversity Policy which sets out the beliefs, goals and strategies of the Company with respect to diversity within the Company.

The Diversity Policy requires the Company to set measurable objectives for achieving diversity and disclose its progress towards achieving them. As part of this disclosure, the Company must disclose the proportion of:

- (a) women employees in the whole organisation (33%);
- (b) women in senior executive positions (40%); and
- (c) women on the Board (25%).

A copy of the Diversity Policy is available at www.greatboulder.com.au.

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

Compliance with ASX Recommendation: followed

The Company has adopted in its Board Charter a process for evaluation of the Board, its committees and individual Directors. This process is conducted by the Board.

The Board also performs a complementary function under the Nomination and Remuneration Policy.

The Company will disclose if a performance evaluation has been conducted.

1.7 Recommendation 1.7

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.

Compliance with ASX Recommendation: followed

The Nomination and Remuneration Policy provides that the Board will undertake performance evaluation of the Directors and senior management on at least an annual basis.

Performance of Directors and senior management is assessed against performance criteria set by the Board. The Company will disclose if a performance evaluation has been conducted.

2. Principle 2: Structure the Board to add value – a listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively

2.1 **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,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.

Compliance with ASX Recommendation: 2.1(a) not followed, 2.1(b) followed

The Company does not have a nomination committee at this stage. The Board considers that, given the current size and scope of the Company's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.

The full Board, which comprises three Non-Executive Directors and one Executive Director, considers the matters and issues that would otherwise be addressed by a nomination committee in accordance with the Company's Nomination and Remuneration Policy.

Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practice, candidates for the office of Director are individually assessed by the Chairman and the Managing Director before appointment or nomination to ensure that they possess the relevant skills, experience and other qualities considered appropriate and necessary to provide value and assist in advancement of the Company's operations, as well as the capability to devote the necessary time and commitment to the role.

The Board intends to reconsider the requirement for, and benefits of, a separate nomination committee as the Company's operations grow and evolve.

The Company's Nomination and Remuneration policy is available at www.greatboulder.com.au.

2.2 Recommendation 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.

Compliance with ASX Recommendation: not followed

The Company does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.

2.3 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 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.

Compliance with ASX Recommendation: followed

The Company has two directors who satisfy the criteria for independence as outlined in ASX Recommendation 2.3, being Gregory Hall and Melanie Leighton.

Disclosure of the names of Directors considered by the Board to be independent will be provided in the Company's annual reports.

The Board currently comprises the following members:

(a) **Gregory Hall – Non-Executive Chairman**

Gregory Hall has held this office since 6 April 2016.

The Board (excluding Mr Hall) considers Mr Hall to be independent as he is free from any business or other relationship with the Company that could materially interfere with, or reasonably be perceived to material interfere with, the independent exercise of his judgement as Director.

(b) **Andrew Paterson – Managing Director**

Andrew Paterson has held this office since 24 June 2019.

The Board (excluding Mr Paterson) does not consider Mr Paterson to be independent as he is an executive employee of the Company.

(c) **Murray Black – Non-Executive Director**

Murray Black has held this office since 6 April 2016.

The Board (excluding Mr Black) does not consider Mr Black to be independent as he is a director and shareholder of the Company's joint venture partner, Eastern Goldfields Mining Company Pty Ltd (EGMC), and therefore has a material personal interest in the Company's contractual arrangements with EGMC, including the Farm-in and Joint Venture Agreements with EGMC for the Yamarna Project.

(d) **Melanie Leighton – Non-Executive Director**

Melanie Leighton has held this office since 6 April 2016.

The Board (excluding Ms Leighton) considers Ms Leighton to be independent as she is free from any business or other relationship with the Company that could materially interfere with, or reasonably be perceived to material interfere with, the independent exercise of her judgement as Director.

2.4 Recommendation 2.4

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

Compliance with ASX Recommendation: not followed

The Board does not comprise a majority of "independent" Directors at present.

50% of the Directors satisfy the independence criteria for the purposes of ASX Recommendation 2.3 (see paragraphs 2.3(a) and (d) above), being Gregory Hall and Melanie Leighton.

However, given the size and scope of the Company's operations, the Board considers that it has relevant experience in the mining and exploration sector (particularly in relation to gold mining and exploration) and is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

The Board intends to appoint further independent Non-Executive Directors as suitably qualified candidates are identified and as the size and scale of the Company's operations warrant such appointment.

2.5 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.

Compliance with ASX Recommendation: followed

The Chairman of the Company, Gregory Hall, is an independent Director in accordance with the criteria for independence outlined in ASX Recommendation 2.3 and does not perform the role of chief executive officer.

2.6 Recommendation 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.

Compliance with ASX Recommendation: not followed

The Company does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of the Company's operations.

The Directors have been selected on the basis that collectively they have experience across mining, exploration, geology, corporate finance, accounting and corporate advisory services. The majority of Directors also have current or previous experience with ASX-listed companies, including directorship or management experience.

The Board seeks to ensure that all of its members understand the Company's operations and the Directors will be given the opportunity to attend, on behalf of the Company and otherwise, appropriate and relevant technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advancements.

Noting the above, the Board considers that a formal induction program is not necessary at present, though the Board may adopt such a program in the future as the Company's operations grow and evolve.

3. Principle 3: Act ethically and responsibly – a listed entity should act ethically and responsibly

3.1 Recommendation 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.

Compliance with ASX Recommendation: followed

The Board believes that the success of the Company has been and will continue to be enhanced by a strong ethical culture within the organisation.

Accordingly, the Company has established a Corporate Code of Conduct (**Code**) which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour with which the Directors, officers, managers, employees and consultants of the Company are expected to comply.

The Code sets out the Company's policies on various matters, including the following:

- (a) conflicts of interest – in accordance with the Corporations Act and the Constitution, each Director is required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict

with those of the Company, and where the Board believes a significant conflict exists, the Director concerned will not receive the relevant papers and will not be present at the Board meeting whilst the matter is being considered;

- (b) legal compliance;
- (c) fair dealing;
- (d) dealings with the Company's assets and property;
- (e) management of corporate information and confidential information;
- (f) computer, email and internet use;
- (g) health, safety and environment;
- (h) employment practises; and
- (i) gifts and entertainment.

The Code also outlines the procedure for reporting any breaches of the Code.

In addition to their obligations under the Corporations Act regarding inside information, all Directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairperson, whose approval will not be unreasonably withheld.

A copy of the Code is available at www.greatboulder.com.au.

4. Principle 4: Safeguard integrity in corporate reporting – a listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting

4.1 **Recommendation 4.1**

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.

Compliance with ASX Recommendation: 4.1(a) not followed, 4.1(b) followed

The Company has not established a separate audit committee.

Under the Board Charter, the role of the audit committee is undertaken by the full Board.

The Board considers that, given its current size and that only one Director holds an executive position in the Company, efficiencies or other benefits would not be gained by establishing a separate audit committee.

The Board has charged the Company Secretary with preparing the annual and half yearly reports. These reports are subsequently audited by the Company's auditors. Following admission to ASX, the Company Secretary will also compile necessary information and prepare the Company's quarterly financial reports.

All Company reports are reviewed by the Board before they are finalised and the Directors are given the opportunity to question and consider the veracity of the information in the reports.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate audit committee.

The audit functions of the Board are set out in the Board Charter which is available at www.greatboulder.com.au.

4.2 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 effectively.

Compliance with ASX Recommendation: followed

As a matter of practise, the Company will obtain declarations from its Managing Director and Company Secretary before its financial statements are approved substantially in the form referred to in ASX Recommendation 4.2.

4.3 Recommendation 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.

Compliance with ASX Recommendation: followed

In accordance with the Company's Shareholder Communications Policy, the Company will request its external auditor to attend each annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

5. Principle 5: Make timely and balanced disclosure – a listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities

5.1 **Recommendation 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.

Compliance with ASX Recommendation: followed

The Company is a “disclosing entity” pursuant to section 111AR of the Corporations Act and, as such, is required to comply with the continuous disclosure requirements of section 674 of the Corporations Act and, following admission to ASX, Chapter 3 of the ASX Listing Rules.

Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of its shares.

The Company is committed to observing its disclosure obligations under the Corporations Act and, following admission to ASX, the ASX Listing Rules. All relevant information provided to ASX following the Company’s admission will be posted on the Company’s website.

The Company has adopted a Continuous Disclosure and Market Communications Policy, the purpose of which is to:

- (a) ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and, as much as possible, seeks to achieve and exceed best practise;
- (b) provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- (c) promote investor confidence in the integrity of the Company and its securities.

A copy of the Continuous Disclosure and Market Communications Policy is available at www.greatboulder.com.au.

6. Principle 6: Respect the rights of security holders – A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively

6.1 **Recommendation 6.1**

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

Compliance with ASX Recommendation: followed

Information about the Company, including copies of its various corporate governance policies and charters, is available at www.greatboulder.com.au.

6.2 **Recommendation 6.2**

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

Compliance with ASX Recommendation: followed

The Company has adopted a Shareholder Communications Policy the purpose of which is to facilitate the effective exercise of shareholders' rights by communicating effectively with members, giving shareholders ready access to balanced and understandable information about the Company and its corporate strategies, and making it easy for members to participate in general meetings of the Company.

This policy establishes procedures for shareholder queries to be made to the Managing Director and Company Secretary generally at any time and also provides that shareholders are to be provided with opportunities to put questions to the Board at general meetings.

The Company communicates with Shareholders as follows:

- (a) following admission to ASX, through releases to the market via the ASX;
- (b) through the Company's website;
- (c) through information provided directly to shareholders; and
- (d) at general meetings of the Company.

A copy of the Shareholder Communications Policy is available at www.greatboulder.com.au.

6.3 **Recommendation 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.

Compliance with ASX Recommendation: followed

As noted above, the Company has adopted a Shareholder Communications Policy. Under this policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation. As a matter of practise, in its notices of meeting, the Company encourages those shareholders who cannot attend general meetings in person to appoint proxies on their behalf.

In preparing for general meetings, the Company will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. This information is to be presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company will use general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board and to otherwise participate in the meeting.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

A copy of the Shareholder Communications Policy is available at www.greatboulder.com.au.

6.4 Recommendation 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.

Compliance with ASX Recommendation: followed

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.

In accordance with the Shareholder Communication Policy, the Company will, as a matter of practise, provide new shareholders with the option to receive communications from the Company electronically and the Company encourages them to do so. Existing shareholders are also encouraged to request communications electronically.

All shareholders who have opted to receive communications electronically are provided with notifications by the Company when an announcement or other communication (including annual reports and notices of meeting) is uploaded to the ASX announcements platform.

7. Principle 7: Recognise and manage risk – a listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework

7.1 Recommendation 7.1

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 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.

Compliance with ASX Recommendation: 7.1(a) not followed, 7.1(b) followed

The Company does not have a separate risk management committee.

The role of the risk management committee is undertaken by the Board, which is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed in accordance with the Company's Risk Management Policy.

The Board considers that, given the current size and scope of the Company's operations and that only one Director holds an executive position in the Company, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.

However, the Company has adopted a Risk Management Policy for the Company which includes the following:

- (a) The purpose of the policy is to:
 - (i) provide a framework for identifying, assessing, monitoring and managing risk;
 - (ii) communicate the roles and accountabilities of participants in the risk management system; and

- (iii) highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.
- (b) The Board is responsible for the following under the policy:
 - (i) risk management and oversight of internal controls; and
 - (ii) establishing and overseeing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

A copy of the Risk Management Policy is available at www.greatboulder.com.au.

7.2 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
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

Compliance with ASX Recommendation: followed

The Board has responsibility for the monitoring of risk management and will review the Company's risk management framework on an annual basis to ensure that the framework continues to be effective.

The Company will disclose the outcome of the annual risk management review in its annual reports.

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

Compliance with ASX Recommendation: 7.3(a) not followed, 7.3(b) followed

The Company does not currently have an internal audit function. This function is undertaken by relevant staff under the direction of the full Board.

The Company has adopted internal control procedures pursuant to its Risk Management Policy, including the following:

- (a) Oversight of the Company's financial affairs will be the responsibility of the Board.
- (b) All major project expenditure must first receive the approval of the Board.
- (c) The Company will adhere to a thorough due diligence process in relation to any proposed business relationship or project acquisition.
- (d) The Board will ensure that systems are in place to maintain effective title to exploration properties, and to fulfil all expenditure and joint venture obligations.

The Board is charged with evaluating and considering improvements to the Company's risk management and internal control processes on an annual basis.

The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company's operations. However, as the Company's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.

7.4 Recommendation 7.4

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

Compliance with ASX Recommendation: followed

The Company's primary activity is mineral exploration and development with a focus on gold. The Board does not consider that the Company has a material exposure to any particular economic, environmental or social sustainability risks that are not faced by all other participants in mineral exploration in Western Australia.

The Board will consider on an on-going basis whether the Company has any particular exposure to material economic, environmental and social sustainability risks and, if identified, the Company will include details in its annual report for each financial year of such risks.

8. Principle 8: Remunerate fairly and responsibly – companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear

8.1 **Recommendation 8.1**

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 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.

Compliance with ASX Recommendation: 8.1(a) not followed, 8.1(b) followed

The Company has not established a separate remuneration committee at this stage. The Board considers that, given the current size and scope of the Company's operations and that only one Director holds an executive position in the Company, efficiencies or other benefits would not be gained by establishing a remuneration committee.

The Company will set out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained within the Company's annual report to shareholders. The full Board determines all compensation arrangements for Directors. It is also responsible for setting (and monitoring) performance criteria, share option schemes, incentive/performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee.

A copy of the Nomination and Remuneration Policy is available at www.greatboulder.com.au.

8.2 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.

Compliance with ASX Recommendation: followed

The Company's policies and practises regarding the remuneration of Executive and Non-Executive Directors and other senior executives will be set out in the remuneration report contained in the Company's annual report for each financial year.

8.3 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.

Compliance with ASX Recommendation: followed

The Company has adopted an Incentive Plan (**Plan**). In accordance with the Company's Securities Trading Policy, the Plan does not allow participants to enter transactions that would limit their economic risk under the Plan.

The Company's Securities Trading Policy sets out the circumstances in which the Company's directors, executives, employees, contractors, consultants and advisors (**Designated Persons**) are prohibited from dealing in the Company's securities.

The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested securities or vested securities in the Company which are subject to a holding lock.

A copy of the Company's Security Trading Policy is available at www.greatboulder.com.au.