

CORPORATE GOVERNANCE STATEMENT

Approved by the Board with effect 3 October 2021

Minerals 260 Limited ACN 116 648 956 (**Company** or **Minerals 260**) has established a corporate governance framework designed to ensure that the Company is effectively managed, regulatory obligations are met and that the Company is managed in an appropriate manner to meet the expectations of stakeholders.

This Corporate Governance Statement outlines the main features of our governance framework, reporting against the recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (Principles & Recommendations). The Company follows each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The directors of the Company (**Directors**, being either Non-Executive Directors or Executive Directors) are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Details of the Company's *Corporate Governance Plan and Board Charter* and related documents are available online at www.minerals260.com.au.

This announcement is authorised for release by the Board.

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| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
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| Principle 1 - Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (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. | <p>Yes</p> | <p>The Board has adopted a formal charter that details the functions and responsibilities of the Board and management.</p> <p>As provided for in the <i>Corporate Governance Plan and Board Charter (Board Charter)</i>, the Board is responsible for all matters relating to the running of the Company, and more specifically, all matters relating to the policies, practices, management and operations of the Company. In addition to decisions requiring approval pursuant to the respective Committee Charters, the following decisions must be approved by the Board:</p> <ul style="list-style-type: none"> (a) issuing shares of the Company; (b) acquiring, selling or otherwise disposing of property in excess of the amount set out in the Company's approval matrix; (c) founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies, or dissolving or selling the Company's participation in other companies (including project joint ventures); (d) acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Company; (e) founding, dissolving or relocating branch offices or other offices, plants and facilities; (f) starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities; |

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| | | <ul style="list-style-type: none"> (g) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company; (h) taking or granting loans which exceed the amount set out in the Company's approval matrix; (i) granting securities of any type; (j) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees; (k) entering into agreements for recurring, voluntary or additional social benefits, superannuation agreements or agreements for general wage and salary increases; (l) determining the total amount of bonuses and gratuities for Company officers and employees; (m) determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board; and (n) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company. <p>The detail of some board functions will be handled through Board Committees, however, the Board as a whole is responsible for determining the extent of the powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.</p> <p>The Managing Director (as a delegate of the Board) is responsible for the effective leadership and day-to-day operations and administration of the Company.</p> |

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| | | <p>The responsibilities of the Board as a whole, the Chair, individual Directors and the functions delegated to Senior Management are set out in more detail in Part A of the Company's <i>Board Charter</i>, which is available on the Company's website www.minerals260.com.au/corporate-governance/.</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>Yes</p> | <p>The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company and procedures outlined in the Company's constitution and the <i>Corporations Act 2001 (Cth)</i>.</p> <p>The Company undertakes appropriate checks before appointing a director or senior executive, or before putting forward to shareholders a candidate for election as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.</p> <p>The Company gives shareholders all material information in its possession relevant to the decision whether or not to elect or re-elect a Director, either in the notice of meeting and explanatory statement for the relevant meeting of shareholders which addresses the election or re-election of the Director, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.</p> <p>The background checks undertaken, and the information provided to shareholders, are set out in the <i>Nomination Committee Charter</i></p> |

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| | | which is available on the Company's website www.minerals260.com.au/corporate-governance/ . |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Yes</p> | <p>Under Part A clause 2.4 of the <i>Board Charter</i>, the Company must have a written agreement with each Director and senior executive setting out the terms of their appointment.</p> <p>Each Non-Executive Director receives a letter formalising their appointment and outlining the material terms of their appointment. The Non-Executive Directors of the Company have not been appointed for a fixed term. Each Non-Executive Director has signed a letter of appointment.</p> <p>Each Executive Director and each senior executive have signed an executive service agreement setting out their duties, obligations and remuneration.</p> |
| <p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>Yes</p> | <p>As set out in Part A clause 5 of the <i>Board Charter</i>, the Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary has primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is Clint McGhie (appointed 4 June 2021), whose qualifications and experience are stated on the Company's website www.minerals260.com.au/board-management/.</p> |
| <p>Recommendation 1.5</p> | <p>Partially</p> | <p>The Company recognises the positive advantages of a diverse workplace and is committed to:</p> |

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| <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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 the Act. | | <ul style="list-style-type: none"> (a) creating a working environment conducive to the appointment of well-qualified employees, senior management and Board candidates; and (b) identifying ways to promote a corporate culture which embraces diversity. <p>The Board has adopted a diversity policy, but due its size and stage of development does not disclose 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 is in accordance with the entity's diversity policy and its progress.</p> <p>The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers measure to improve it. The Board will further consider the establishment of objectives for achieving gender diversity as the Company develops and its circumstances change.</p> <p>The Company will report the respective proportions of men and women on the board, in senior executive positions and across the whole workforce as at the end of each reporting period.</p> |
| <p>Recommendation 1.6</p> | <p>Yes</p> | <p>The Charters of the Company's Board and Remuneration and Nomination Committee outline the processes to be used for</p> |

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| <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | | <p>evaluating the performance of, and the development and improvement of, the Board, its committees, and its individual Directors.</p> <p>The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board will undertake an evaluation of Board and Director performance.</p> <p>The review will be based on a number of goals for the Board and individual Directors that will be established. The goals are based on corporate requirements and any areas for improvement that may be identified. The Board will consider the outcome of such reviews in a dedicated meeting and develop a series of actions and goals to guide improvement. The Chair will provide each Director with confidential feedback on his or her performance. This feedback is used to develop a development plan for each Director. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.</p> <p>The Remuneration and Nomination Committee will arrange for a performance evaluation of the Board, its Committees and individual Directors to be conducted on an annual basis.</p> <p>The Board will set a number of expectations for its Committees. These expectations are to be derived after considering the results of previous reviews if any, an assessment of the Company's current and future needs, and a review of each Committee's Charter or purpose. As a result of a review, the Board may amend or revoke a Committee's Charter. The Board will review the performance of the</p> |

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| | | <p>Committees against expectations. Based upon the review, individuals and groups will be provided with feedback on their performance. The results of the review will be a key input into the expectations set by the Board.</p> <p>The Company was incorporated in June 2021 and the initial performance evaluation of the Board, its Committees and individual Directors will occur in June 2022.</p> |
| <p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p>Yes</p> | <p>In accordance with the Company's <i>Board Charter</i>, all senior executives are subject to an annual performance evaluation. Each year, senior executives will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position.</p> <p>An informal assessment of progress is carried out throughout the year. A full evaluation of an executive's performance against the agreed targets takes place annually. This will normally occur in conjunction with goal setting for the coming year. As the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are also dependent on the outcome of the evaluation.</p> <p>The Company was incorporated in June 2021 and the initial performance evaluation of senior executives will occur in June 2022.</p> |

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| Principle 2 – Structure the board to be effective and add value | | | | | | | | | | | | | | |
| <p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | Yes | <p>The Board established a Remuneration and Nomination Committee structured in accordance with Recommendation 2.1 in July 2021.</p> <p>The Remuneration and Nomination Committee comprises the following Directors:</p> <table border="1" data-bbox="1155 619 1946 775"> <thead> <tr> <th>Name</th> <th>Role</th> <th>Independent?</th> </tr> </thead> <tbody> <tr> <td>Anthony Cipriano</td> <td>Chair</td> <td>Yes</td> </tr> <tr> <td>Timothy Goyder</td> <td>Member</td> <td>No</td> </tr> <tr> <td>Craig Williams</td> <td>Member</td> <td>Yes</td> </tr> </tbody> </table> <p>The Board has adopted a <i>Remuneration and Nomination Committee Charter</i> which describes the role, composition, functions and responsibilities of the Remuneration and Nomination Committee, which is available on the Company's website www.minerals260.com.au/corporate-governance/.</p> <p>The Company will report the number of times the committee met throughout the period and the individual attendances of the members as at the end of each reporting period.</p> | Name | Role | Independent? | Anthony Cipriano | Chair | Yes | Timothy Goyder | Member | No | Craig Williams | Member | Yes |
| Name | Role | Independent? | | | | | | | | | | | | |
| Anthony Cipriano | Chair | Yes | | | | | | | | | | | | |
| Timothy Goyder | Member | No | | | | | | | | | | | | |
| Craig Williams | Member | Yes | | | | | | | | | | | | |
| <p>Recommendation 2.2</p> | Yes | <p>The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. It seeks to</p> | | | | | | | | | | | | |

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| <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | | <p>achieve a Board composition with a balance of diverse attributes relevant to the Company's operations and markets, including skill sets, background, gender, geography and industry experience. In addition to those general skills expected for Board membership, the Board has adopted a Board Skills Matrix which sets out the skills/experience, capability and knowledge requirements considered appropriate to implement the Company's strategy and key issues facing the Company.</p> <p>Each Director was asked to grade their experience, capability and knowledge in respect of each identified skill using an assessment scale of 0 to 5, with 0 being no competency and 5 being a recognised industry expert competency. A level of 3 or above indicates a 'well developed competency' to participate in Board level decision making.</p> <p>The table at Appendix A sets out the identified skills/experience, capability and knowledge requirements that comprise the Company's Board Skills Matrix and the number of Directors that have been assessed in each category to a minimum level of 3. As at the date of this report there were four Directors in total (including the Managing Director).</p> | | | | | | | | |
| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> | <p>Yes</p> | <p>As at 4 October 2021, the Board consisted of:</p> <table border="1" data-bbox="1153 1262 1946 1406"> <thead> <tr> <th>Name</th> <th>Role</th> <th>Independent?</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Anthony Cipriano</td> <td>Non-Executive Chair</td> <td>Yes</td> <td>0.33 years</td> </tr> </tbody> </table> | Name | Role | Independent? | Length of Service | Anthony Cipriano | Non-Executive Chair | Yes | 0.33 years |
| Name | Role | Independent? | Length of Service | | | | | | | |
| Anthony Cipriano | Non-Executive Chair | Yes | 0.33 years | | | | | | | |

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| <p>(b) if a director has an interest, position 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</p> <p>(c) the length of service of each director.</p> | | David Richards | Managing Director | No | 0.33 years |
| | | Timothy Goyder | Non-Executive Director | No | 0.33 years |
| | | Craig Williams | Non-Executive Director | Yes | 0.25 years |
| | | <p>Anthony Cipriano and Craig Williams are regarded as independent Non-Executive Directors.</p> <p>David Richards is not considered independent on the basis that he is Managing Director and thus employed in an executive capacity. Timothy Goyder is not considered independent on the basis that he is a substantial shareholder. Despite this, the Board believes that Mr Richards and Mr Goyder are able, and do make, quality and independent judgments in the best interest of the Company on all relevant issues before the Board.</p> <p>The Board assesses the independence of Directors annually, or more frequently if circumstances require</p> <p>A copy of the definition of independence adopted by the Company is annexed to the <i>Board Charter</i> at Annexure A, available on the Company's website at www.minerals260.com.au/corporate-governance/.</p> | | | |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | <p>No</p> | <p>The Board is not comprised of a majority of independent directors (2 of 4). The independent directors are Anthony Cipriano and Craig Williams.</p> <p>While the Company does not have a majority of Independent Directors, the Board considers that given the size and scope of the</p> | | | |

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| | | Company's operations, it has the relevant experience in the exploration and mining industry 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. |
| <p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>Yes</p> | <p>The Chair, Mr Anthony Cipriano, is an independent director. The roles of Chair of the Board and Managing Director/CEO are separate and distinct.</p> |
| <p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for 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.</p> | <p>Yes</p> | <p>It is the policy of the Board to ensure that the Directors and senior management of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.</p> <p>As referred to in Part D of the <i>Board Charter</i>, new directors go through an induction process which includes meeting with key executives, tours of the premises, an induction package and presentations. The Company also expects all Directors and the Managing Director to commit to at least 2 days of professional development each year and allocates an annual budget to encourage Directors to participate in training and development programs.</p> |

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| Principle 3 – Instil a culture of acting lawfully, ethically and responsibly | | |
| <p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p> | Yes | <p>The Board has approved a <i>Statement of Values</i> and charges the Directors with the responsibility of inculcating those values across the Company.</p> <p>A copy of the Company's <i>Statement of Values</i> is available on Company's website, www.minerals260.com.au/corporate-governance/.</p> |
| <p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p> | Yes | <p>The Company seeks to encourage and develop a culture which will maintain and enhance its reputation as a valued corporate citizen of the countries where it operates and an employer which personnel enjoy working for.</p> <p>The Company has established a <i>Code of Conduct</i> that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standards of behaviour expected from its Directors and employees. The <i>Code of Conduct</i> sets out policies in relation to various corporate and personal behaviour including safety, discrimination, respecting the law, anti-corruption, interpersonal conduct and conflict of interest.</p> <p>While the <i>Code of Conduct</i> seeks to prescribe standards of behaviour for all Company personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The <i>Code of Conduct's</i> objective is to provide a framework for decisions and actions in relation to ethical conduct in employment, to safeguard the Company's reputation and to make clear the consequences of breaching the <i>Code of Conduct</i>.</p> |

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| | | <p>A copy of the Company's <i>Code of Conduct</i> is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> |
| <p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p> | <p>Yes</p> | <p>The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.</p> <p>A copy of the Company's <i>Whistleblower Policy</i> is available on the the Company's website, www.minerals260.com.au/corporate-governance/.</p> |
| <p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p> | <p>Yes</p> | <p>The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.</p> <p>A copy of the Company's <i>Anti-bribery and Corruption Policy</i> is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> |

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| Principle 4 – Safeguard the integrity of corporate reports | | | | | | | | | | | | | | |
| <p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>Yes</p> | <p>The Audit and Risk Committee (AR Committee) was formed in July 2021 and operates under the <i>Audit and Risk Committee Charter</i>, which is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> <p>The AR Committee consists of the following Directors:</p> <table border="1" data-bbox="1153 647 1946 796"> <thead> <tr> <th>Name</th> <th>Role</th> <th>Independent?</th> </tr> </thead> <tbody> <tr> <td>Craig Williams</td> <td>Chair</td> <td>Yes</td> </tr> <tr> <td>Timothy Goyder</td> <td>Member</td> <td>No</td> </tr> <tr> <td>Anthony Cipriano</td> <td>Member</td> <td>Yes</td> </tr> </tbody> </table> <p>The qualifications and experience of the members of the AR Committee are disclosed on the Company's website, www.minerals260.com.au/board-management/.</p> <p>The AR Committee is chaired by Craig Williams, an independent Non-Executive Director, who is not the Chair of the Board.</p> <p>The Company will report the number of times the committee met throughout the period and the individual attendances of the members at the end of each reporting period.</p> | Name | Role | Independent? | Craig Williams | Chair | Yes | Timothy Goyder | Member | No | Anthony Cipriano | Member | Yes |
| Name | Role | Independent? | | | | | | | | | | | | |
| Craig Williams | Chair | Yes | | | | | | | | | | | | |
| Timothy Goyder | Member | No | | | | | | | | | | | | |
| Anthony Cipriano | Member | Yes | | | | | | | | | | | | |

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| <p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>Yes</p> | <p>Before the Board approves the Company's financial statements for the half years ended 31 December, full-years ended 30 June and the consolidated statements of cash flows for each quarter ending 30 September, 31 December, 31 March and 30 June, it will receive from the Managing Director and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |
| <p>Recommendation 4.3</p> <p>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.</p> | <p>Yes</p> | <p>Where periodic corporate reports are not audited or reviewed by an external auditor, the Company ensures it employs processes which minimise the chance of error in the report. The processes employed involves a review by the relevant internal stakeholder culminating in an internal sign-off that the portion of the report to which they have contributed is accurate prior to receiving approval by the Board.</p> |
| <p>Principle 5 – Make timely and balanced disclosure</p> | | |
| <p>Recommendation 5.1</p> | <p>Yes</p> | <p>The Company has established a <i>Continuous Disclosure Policy</i> which is designed to guide compliance with ASX Listing Rule disclosure requirements, and to ensure that all Directors, senior executives</p> |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
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| <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.</p> | | <p>and employees of the Company understand their responsibilities under the policy. The <i>Continuous Disclosure Policy</i> is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> <p>The <i>Continuous Disclosure Policy</i>:</p> <ul style="list-style-type: none"> (a) raises awareness of the Company's obligations under the continuous disclosure regime; (b) establishes a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the Non-Executive Chairman, being the person/s primarily responsible for ensuring the Company complies with its continuous disclosure obligations, in a timely manner and is kept confidential; and (c) sets out the obligation of Directors, officers and employees of the Company to ensure that the Company complies with its continuous disclosure obligations. <p>The Board has designated the Continuous Disclosure Committee, comprising the Company Secretary, Managing Director and Chair, as the persons primarily responsible for ensuring that the Continuous Disclosure Policy is implemented and that all relevant information is disclosed as required.</p> <p>In accordance with the Company's Continuous Disclosure Policy, all information provided to ASX for release to the market is also posted to the Company's website.</p> |
| <p>Recommendation 5.2</p> | <p>Yes</p> | <p>The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and</p> |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
|---|--------|---|
| A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made. | | <p>coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. The Company Secretary ensures that the Board are aware of when any announcement is due to go out and when the confirmation of release is received by the ASX, the Company Secretary promptly forwards this to the Board.</p> <p>The <i>Continuous Disclosure Policy</i> of the Company is available on the Company's website www.minerals260.com.au/corporate-governance/.</p> |
| <p>Recommendation 5.3</p> <p>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.</p> | Yes | <p>In accordance with the Company's <i>Continuous Disclosure Policy</i>, where a new and substantive investor or analyst presentation is to be given, the Company will release a copy of the presentation materials on the ASX market announcements platform ahead of the presentation.</p> |
| <p>Principle 6 – Respect the rights of security holders</p> | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | Yes | <p>The Board aims to ensure that the Company's shareholders are informed of all major developments affecting the Company's state of affairs.</p> <p>The Company keeps investors informed through its website www.minerals260.com.au which contains information on the Company, the Board and the corporate governance policies and procedures of the Company. Through its website, investors can access copies of the Company's annual, half-yearly and quarterly</p> |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
|---|--------|---|
| | | reports (for at least three historical years), announcements to the ASX, notices of meeting, presentations and key media coverage. |
| <p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communications with investors.</p> | Yes | <p>The Company has a <i>Shareholder Communication Strategy</i> which is available on the Company's website, www.minerals260.com.au/corporate-governance/. The <i>Shareholder Communication Strategy</i> encourages shareholder participation and engagement with the Company. This strategy also facilitates communication directly between shareholders and the Company, with any shareholder queries coordinated through the Company Secretary.</p> |
| <p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p> | Yes | <p>The <i>Shareholder Communications Policy</i> encourages shareholder participation at shareholders' meetings. Shareholders will be provided with all notices of meeting, or notification on how they can be accessed, prior to meetings. The Company's lead auditor will be also made available for questions at the annual general meeting. Shareholders are also always given the opportunity to ask questions of the Directors and management, either during or after shareholders' meetings.</p> |
| <p>Recommendation 6.4</p> <p>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.</p> | Yes | <p>The Company will conduct a poll at meetings of security holders to decide each resolution.</p> |

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|--|-------------------|--|------|------|--------------|----------------|-------|-----|----------------|--------|----|------------------|--------|-----|
| <p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | <p>Yes</p> | <p>Security holders are given the option and are encouraged to receive communications from, and send communications to, the Company and its share registry, Automic, electronically.</p> <p>The Company provides security holders the option to receive communications from, and send communications to, the Company and its share registry electronically by registering their email address online with the Company's share registry, Automic at https://investor.automic.com.au/#/home. Security holders and other stakeholders can register on the Company's website to receive information updates about the Company at www.minerals260.com.au.</p> | | | | | | | | | | | | |
| <p>Principle 7 – Recognise and manage risk</p> | | | | | | | | | | | | | | |
| <p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met</p> | <p>Yes</p> | <p>The Audit and Risk Committee (AR Committee) was formed in July 2021 and operates under the <i>Audit and Risk Committee Charter</i>, which is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> <p>The AR Committee consists of the following Directors:</p> <table border="1" data-bbox="1153 1125 1944 1281"> <thead> <tr> <th>Name</th> <th>Role</th> <th>Independent?</th> </tr> </thead> <tbody> <tr> <td>Craig Williams</td> <td>Chair</td> <td>Yes</td> </tr> <tr> <td>Timothy Goyder</td> <td>Member</td> <td>No</td> </tr> <tr> <td>Anthony Cipriano</td> <td>Member</td> <td>Yes</td> </tr> </tbody> </table> <p>The qualifications and experience of the members of the AR Committee are disclosed on the Company's website, www.minerals260.com.au/board-management/.</p> | Name | Role | Independent? | Craig Williams | Chair | Yes | Timothy Goyder | Member | No | Anthony Cipriano | Member | Yes |
| Name | Role | Independent? | | | | | | | | | | | | |
| Craig Williams | Chair | Yes | | | | | | | | | | | | |
| Timothy Goyder | Member | No | | | | | | | | | | | | |
| Anthony Cipriano | Member | Yes | | | | | | | | | | | | |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
|--|-------------------|--|
| <p>throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy paragraph (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | | <p>The AR Committee is chaired by Craig Williams, an independent Non-Executive Director, who is not the Chair of the Board.</p> <p>The Company will report the number of times the committee met throughout the period and the individual attendances of the members at the end of each reporting period.</p> |
| <p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>Yes</p> | <p>The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a <i>Risk Management Policy</i>, which is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> <p>Under the Company's <i>Risk Management Policy</i>, the Board reviews all major strategies and purchases for their impact on the risks facing the Company and makes appropriate recommendations. The Company will also undertake an annual review of operations to update its risk profile, which normally occurs in conjunction with the strategic planning process.</p> <p>The Company was incorporated in June 2021 and a review of risks associated with the Company's proposed activities was undertaken as part of the initial public offer (IPO) process. An annual review will be undertaken during each annual reporting period.</p> |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
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| <p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | <p>Yes</p> | <p>The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.</p> <p>The Board performs all key elements of an internal audit function, including:</p> <ul style="list-style-type: none"> (a) evaluating and seeking and obtaining reasonable assurance that risk management, control and governance systems are functioning as intended and will enable the Company's objectives and goals to be met; (b) evaluating information security and associated risk exposures; (c) evaluating regulatory compliance programs with consultation from internal and external legal counsel; (d) evaluating the Company's preparedness in case of business interruption; and (e) providing oversight of the Company's anti-fraud programs. <p>The Board delegates to one or more appropriate senior executives the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Board for consideration at its next meeting. The Board may also seek recommendations from appropriate senior executives where strategic changes to risk management and internal control processes are required.</p> |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
|---|-------------------|--|
| <p>Recommendation 7.4</p> <p>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.</p> | <p>Yes</p> | <p>The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its <i>Risk Management Policy</i>, which is available on the Company's website, www.minerals260.com.au/corporate-governance/.</p> <p>The Company has, and continues to, undertake various organisation wide risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.</p> <p>As a mineral exploration company, there are a number of material environmental or social sustainability risks that could adversely affect the Company and the achievement of the Company's strategic objectives. The Company believes that a strong focus on Environmental, Social, and Governance (ESG) matters are integral to how the Company operates and its overall business strategy.</p> <p>Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, approvals and standards so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities, the Company expects to be able to operate in an environmentally sustainable and responsible manner.</p> <p>Social: The Company recognises that a failure to manage stakeholder expectations may lead to disruption to the Company's operations. The Company works closely with the various stakeholders in the region in which it operates.</p> |

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|--|------------|---|------|------|--------------|------------------|-------|-----|----------------|--------|----|----------------|--------|-----|
| Principle 8 – Remunerate fairly and responsibly | | | | | | | | | | | | | | |
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | Yes | <p>The Board established a Remuneration and Nomination Committee structured in accordance with Recommendation 8.1 in July 2021.</p> <p>The Remuneration and Nomination Committee comprises the following Directors:</p> <table border="1" data-bbox="1155 647 1946 804"> <thead> <tr> <th>Name</th> <th>Role</th> <th>Independent?</th> </tr> </thead> <tbody> <tr> <td>Anthony Cipriano</td> <td>Chair</td> <td>Yes</td> </tr> <tr> <td>Timothy Goyder</td> <td>Member</td> <td>No</td> </tr> <tr> <td>Craig Williams</td> <td>Member</td> <td>Yes</td> </tr> </tbody> </table> <p>The Board has adopted a <i>Remuneration and Nomination Committee Charter</i> which describes the role, composition, functions and responsibilities of the Remuneration and Nomination Committee, which is available on the Company's website www.minerals260.com.au/corporate-governance/.</p> <p>The Company will report the number of times the committee met throughout the period and the individual attendances of the members as at the end of each reporting period.</p> | Name | Role | Independent? | Anthony Cipriano | Chair | Yes | Timothy Goyder | Member | No | Craig Williams | Member | Yes |
| Name | Role | Independent? | | | | | | | | | | | | |
| Anthony Cipriano | Chair | Yes | | | | | | | | | | | | |
| Timothy Goyder | Member | No | | | | | | | | | | | | |
| Craig Williams | Member | Yes | | | | | | | | | | | | |
| <p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and</p> | Yes | <p>The <i>Board Charter</i> sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.</p> | | | | | | | | | | | | |

| ASX Corporate Governance Principle/Recommendation | Comply | Particulars of Compliance and If Not Why Not |
|--|-------------------|---|
| <p>practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | | <p>Messrs Cipriano, Goyder and Williams are paid a fixed annual directors fee for their service to the Company as Non-Executive Directors, as well as additional fixed annual fees as members of the Audit and Risk Committee and the Remuneration and Nomination Committee.</p> <p>All Executive Directors of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their respective employment agreements with the Company and potentially the ability to participate in the Company's short term and long term incentive plans.</p> |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (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 (c) disclose that policy or a summary of it. | <p>Yes</p> | <p>The Company's <i>Securities Trading Policy</i> prohibits the hedging of unvested performance share rights and vested securities that are subject to disposal restrictions at all times, irrespective of trading windows. This is in line with the requirements of the <i>Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011</i> (Cth) and is intended to prevent transactions which could have the effect of distorting the proper functioning of performance hurdles or reducing the intended alignment between management's and shareholders' interests.</p> <p>For the purposes of this policy, hedging includes the entry into any derivative transaction within the meaning given in section 761D of the <i>Corporations Act</i> (such as options, forward contracts, swaps, futures, warrants, caps and collars) and any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.</p> |

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| | | The <i>Securities Trading Policy</i> is available on the Company's website, www.minerals260.com.au/corporate-governance/ . |

Appendix A – Board Skills Matrix

The following table of skills and experience has been identified by the Board as the key skills and other attributes of Board members which are believed to be required for robust decision-making and the effective governance of the Company.

The table is to be reviewed and updated periodically to ensure that it covers the attributes needed to address existing and emerging business and governance issues relevant to the Company.

Each Director was asked to grade their experience, capability and knowledge in respect of each identified skill using an assessment scale of 0 to 5, with 0 being no competency and 5 being a recognised industry expert competency. A level of 3 or above indicates a 'well developed competency' to participate in Board level decision making. As at the date of this report there were four Directors in total (including the Managing Director).

| Category | Experience, capability and knowledge requirements | Number of Directors with a competency level of three or above. |
|--|---|--|
| Leadership and People Management | Significant Board and/or Executive experience in a publicly listed company or large organisation, with a proven track record of effective leadership and management of multi-disciplined teams. | 4 |
| Strategic Planning, Business Development and Commercial | Formulating, assessing and executing strategic vision, objectives, business models and relevant financial metrics. Knowledge of industry competitive landscape, key risks, capability requirements and strategic planning processes. | 4 |
| Corporate Transactions | Planning and execution of equity or debt capital raisings, mergers, acquisitions, joint ventures, de-mergers and takeover defence. | 4 |
| Financial | Evaluating financial statements, understanding key financial drivers of a business, corporate finance (including debt and equity capital markets) and assessment of financial risks and controls. | 4 |
| Governance and Compliance | Formulating, implementing and overseeing of organisation-wide governance and compliance systems, processes, policies and frameworks. Knowledge of governance issues, including the legal, compliance and regulatory environment applicable to publicly listed entities. | 4 |

| Category | Experience, capability and knowledge requirements | Number of Directors with a competency level of three or above. |
|---|--|--|
| People, Culture and Remuneration | Establishing and overseeing organisation-wide capabilities, remuneration frameworks, performance assessment, people management and company culture, mindsets and behaviours. | 4 |
| Investor Relations | Drafting and delivery of public announcements, other shareholder communications, market research / analysis and presentations at industry events / conferences. | 4 |
| Risk Management | Formulating risk management frameworks and controls, setting appropriate risk appetite, identifying and providing oversight of key business risks (both financial and nonfinancial). | 4 |
| Health and Safety | Formulating and implementing health and safety management systems, risk identification and mitigation processes, performance monitoring and governance. | 4 |
| Sustainability and Environment | Formulating and managing environment and sustainability policies, standards, practices and implementation of environmental impact mitigations for mining projects. | 4 |
| Community and Government Relations | Formulating and implementing stakeholder engagement and management strategies. Local, State and Federal Government and regulatory management. | 4 |
| Geology and Exploration Targeting | Base, precious and rare metal mineral systems, geology and targeting. Design, planning and execution of mineral exploration programs. | 3 |
| Exploration and Resources Definition | Base, precious and rare metal geology, resource and reserve measurement and classifications. Design, planning and execution of resource definition drilling programs and related activities. | 3 |
| Metallurgy and Mineral Processing | Base, precious and rare metal mineralogy, metallurgy and marketing. Design, testing and optimisation of metallurgical flowsheet, processing facility and offtake. | 2 |
| Project Studies and Engineering | Formulation and execution of mining scoping and feasibility studies to define and assess project scope, economic potential, financing options and risk factors. | 4 |