

## CORPORATE GOVERNANCE STATEMENT

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This Corporate Governance Statement is current as at 30 June 2020 and applies to the Consolidated Entity, consisting of Anglo Australian Resources NL and its subsidiaries, together referred to as **Anglo Australian** or the **Group**. This Corporate Governance Statement has been approved by the Board of Anglo Australian.

The Board of Directors of Anglo Australian is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

This Corporate Governance Statement discloses the extent to which the Group has, during the financial year ending 30 June 2020, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations). The Recommendations are not mandatory, but where the Recommendations have not been followed for any part of the reporting period, reasons are provided in this Statement, together with an explanation of any alternative governance practices adopted.

Information on corporate governance is available on the Company's website at [www.anglo.com.au/investors/corporategovernance](http://www.anglo.com.au/investors/corporategovernance).

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RECOMMENDATIONS (3 <sup>RD</sup> EDITION)		COMPLY	EXPLANATION
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	YES	Information about the respective roles and responsibilities of the Board and management (including those matters expressly reserved to the Board and those delegated to management) is found in the Board Charter which is located on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	<p>The Board oversees arrangements for the effective appointment of new directors, which includes identifying candidates to fill vacancies, to determine the appropriateness of director nominees as well as undertake appropriate checks before appointing a person to the Board.</p> <p>The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified and experienced Board candidates so that Board composition is appropriate to maximise the achievement of corporate goals.</p> <p>As required under the ASX Listing Rules, the Corporations Act and the Company's Constitution, election or re-election of directors is included in the agenda for each Annual General Meeting. The Notice of Meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	PARTLY	The Company has entered into written agreements with all senior executives. As at 30 June 2020, the Company has written agreements with a number of non-executive directors setting out the terms of their appointment. Subsequent to 30 June 2020, the Company has put agreements in place with all other non-executive directors.
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.	YES	The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors. The functions of the Company Secretary are described in the written agreement between the Company and the Company Secretary.

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1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	PARTLY	<p>The Company has a Diversity Policy which can be found under the Corporate Governance section of the Company's website. The Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity. Given the size and nature of the Company at this stage, the Board considers this course of action reasonable.</p> <p>As at the date of this Statement, the Company has only 7 employees. However, the Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage based on qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.</p> <p>The Company has not set measurable objectives for achieving gender diversity during the reporting period to 30 June 2020.</p> <p>There are currently no women on the Board. There is one woman classified as key management personnel (KMP).</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	PARTLY	<p>A process for evaluating Board performance is detailed in the Company's Board Charter.</p> <p>For the 2020 financial year, there was no formal performance evaluation undertaken. Evaluation of Board and director performance is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level and complexity of operations justifies it.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	NO	<p>The Company does not have a process for evaluating the performance of senior executives. Evaluation of senior executive performance is carried out on a continuing and informal basis. The Company intends to implement a formal process as and when the level of operations justifies it.</p>

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RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
<b>PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE</b>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	NO	<p>The Board does not have a Nomination Committee.</p> <p>The full Board undertakes the role of the Nomination Committee. The Board considers it has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. Board succession issues are discussed by the whole Board when required. The Board is of the view that at this stage of the Company's development, a separate Nomination Committee would not add any substance to this process.</p>

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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.	YES	<p>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in the fields of operational management, exploration and geology, corporate law, finance, listed resource companies and equity markets.</p> <p>The Board Skills matrix for the current Board is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>L. Warnick</th> <th>M. Ducler</th> <th>J. Jones</th> <th>P. Stern</th> <th>D. Varcoe</th> </tr> </thead> <tbody> <tr> <td>operational management</td> <td>-</td> <td>✓</td> <td>✓</td> <td>-</td> <td>✓</td> </tr> <tr> <td>exploration and geology</td> <td>-</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>corporate law</td> <td>✓</td> <td>-</td> <td>-</td> <td>✓</td> <td>-</td> </tr> <tr> <td>accounting &amp; finance</td> <td>✓</td> <td>✓</td> <td>-</td> <td>✓</td> <td>-</td> </tr> <tr> <td>listed resource companies</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>equity markets</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>-</td> </tr> <tr> <td>corporate governance</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>		L. Warnick	M. Ducler	J. Jones	P. Stern	D. Varcoe	operational management	-	✓	✓	-	✓	exploration and geology	-	✓	✓	✓	✓	corporate law	✓	-	-	✓	-	accounting & finance	✓	✓	-	✓	-	listed resource companies	✓	✓	✓	✓	✓	equity markets	✓	✓	✓	✓	-	corporate governance	✓	✓	✓	✓	✓
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corporate governance	✓	✓	✓	✓	✓																																														
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	YES	<p>The Company considers that Leigh Warnick, Peter Stern and David Varcoe are independent directors.</p> <p>Leigh Warnick has been a director since 23 December 2019.</p> <p>Marc Ducler has been a director since 23 December 2019.</p> <p>John Jones has been a director since 9 February 1990.</p> <p>Peter Stern has been a director since 28 November 2011.</p> <p>David Varcoe has been a director since 27 November 2019.</p>																																																
2.4	A majority of the board of a listed entity should be independent directors.	YES	The majority of the Board are independent directors.																																																
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.	PARTLY	The current Chair, Mr. Leigh Warnick is an independent director. Prior to the appointments of Mr Warnick and Mr Ducler on 23 December 2019, Mr John Jones held the roles of Executive Chair. Mr. Jones is not independent.																																																

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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.	YES	The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)		COMPLY	EXPLANATION
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	YES	<p>The Company has a Code of Conduct, which can be found on its website under the Corporate Governance section. The Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are to abide by when dealing with each other, shareholders and the broader community.</p> <p>When representing the Company, Board, management and employees will abide by the following minimum standards:</p> <ul style="list-style-type: none"> <li>▪ We treat each other with respect and dignity</li> <li>▪ We respect the law and act accordingly</li> <li>▪ We are fair and honest in our dealings</li> <li>▪ We use the Company's responsibly and in the best interest of the Company and its reputation</li> <li>▪ We are responsible to the community and the individual.</li> </ul> <p>The Code of Conduct is available on the Company's website at <a href="http://www.anglo.com.au/corporate-governance/">www.anglo.com.au/corporate-governance/</a></p>

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<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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>	NO	<p>The full Board performs the function of the Audit Committee. The Board considers that due to the size and complexity of the Company's affairs, the establishment of a separate Audit Committee is not merited. The Board carries out all necessary audit committee functions which include reviewing the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls, general and specific financial matters.</p>
4.2	<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>	YES	<p>The Managing Director (who discharges the functions of chief executive officer) and the Chief Financial Officer provide a declaration in relation to the full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.</p>

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>The Company's Continuous Disclosure Policy can be found under the Corporate Governance section of the Company's website.</p> <p>The purpose of the Continuous Disclosure Policy is to:</p> <ul style="list-style-type: none"> <li>▪ Ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and ASX Listing Rule and as much as possible seeks to achieve and exceed best practice;</li> <li>▪ Provide shareholders and the market with timely, direct and equal access to information issued by the Company; and</li> <li>▪ Promote investor confidence in the integrity of the Company and its securities.</li> </ul> <p>The Continuous Disclosure Policy is available on the Company's website at <a href="http://www.anglo.com.au/corporate-governance/">www.anglo.com.au/corporate-governance/</a></p>

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<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance section of the Company's website provides access to key policies, procedures and charters of the Company, as well as the latest Corporate Governance Statement.</p> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>A Shareholder Communication Policy can be found on the Company's website.</p>



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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.	YES	<p>The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders. In 2020, this is subject to Government controls directed towards management of COVID-19 risks.</p> <p>The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to be addressed through disclosure relating to that meeting.</p> <p>The Company's Shareholder Communication Policy is disclosed on the Company's website.</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	<p>Shareholders have the option of electing to receive all shareholder communications by email. The Company provides a printed copy of the Annual Report only to those shareholders who have specifically elected to receive a printed copy.</p> <p>The Company's Share Register is managed and maintained by Automic Share Registry. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Automic Investor Portal (<a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>).</p>

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	NO	<p>The Board has not established a Risk Committee; however, it does have a Risk Management Policy which can be found on the Company's website.</p> <p>Risk management is specifically discussed at the Company's Board meetings during the year.</p>
7.2	<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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	NO	<p>A formal annual review of the Company's risk management framework was not undertaken during the year. The Board and senior management discuss on an ongoing basis the risks facing the Company, acceptable levels of risk and appropriate measures to mitigate risks.</p>
7.3	<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 risk management and internal control processes.</p>	NO	<p>The Company does not have an internal audit function. In the opinion of the Board, the establishment of such a function is not warranted having regard to the limited size and complexity of the Company's operations.</p> <p>The Board believes that the external financial audit program and the regular review of risk management and internal control processes by the Board and management are sufficient for a Company of this size.</p>

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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.	YES	<p><i>Environmental risk</i> - the Company is subject to, and responsible for, existing environmental liabilities associated with its tenements. The Company will continually monitor its ongoing environmental obligations and risks and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy.</p> <p><i>Funding risk</i> - the Company is required to source funding from time to time to meet its operational requirements. The Company to date has managed this risk by raising equity capital.</p> <p><i>Resource risk</i> – in common with other mining exploration companies, the Company is subject to the risk that its resource base will not support economic mining operations. The Company’s exploration operations are directed toward the elimination of this risk by establishing an economically mineable resource base.</p> <p>Otherwise, the Company does not consider that it has any significant exposure to economic and social sustainability risks.</p>
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RECOMMENDATIONS (3 <sup>RD</sup> EDITION)		COMPLY	EXPLANATION
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <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>	NO	<p>The Board considers that due to the limited size and complexity of the Company’s affairs, the establishment of a separate Remuneration Committee is not warranted.</p> <p>The full Board considers the level and composition of remuneration for directors and senior executives, with reference to remuneration levels set by its industry peers.</p>

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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.	YES	The Company's remuneration structure distinguishes between Non-Executive Directors and the Managing Director and senior executives. The Remuneration Report required under section 300A(1) of the Corporations Act is provided in the Directors' Report which forms part of the Company's Annual Report.
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.	YES	The Company's Securities Trading Policy is available on the Company's website. The Securities Trading Policy (clause 6.2) prohibits participants in the Company's Employee Incentive Plan from entering into transactions which limit the economic risk associated with unvested rights obtained under the Plan.