

## Corporate Governance Statement

Following Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the Prospectus Date are detailed below.

Principles and Recommendations	Comply (Yes/No)	Explanation
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	YES	<p>The Company has established a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board in relation to corporate governance, the role of the Board, the Board's relationship with management, the key responsibilities of the Board, the structure of the Board, the role of the chair, the role of Board committees and the occurrence of Board meetings. A copy of the Company's Board Charter is available on the Company's website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting forward to security holders a candidate 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>	YES	<p>(a) The Company's Remuneration and Nomination Committee Charter (currently applied by the full Board, rather than a separate committee) requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in any notice of meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.</p>

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<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Remuneration and Nomination Committee Charter and Board Charter require the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has entered into a written agreement with each Director and senior executive setting out the terms of their appointment.</p>
<p><b>Recommendation 1.4</b></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>	YES	<p>The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(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</p>	PARTIALLY	<p>The Company has 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>Due to the current size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender diversity. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.</p>

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(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 that Act.		
<p><b>Recommendation 1.6</b></p> <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>	NO	<p>(a) The Nominations Committee or the Board (in the absence of a Nominations Committee) is responsible for evaluating the performance of the Board and individual Directors on an annual basis, with the aid of an independent advisor, if deemed required.</p> <p>(b) The Company has not yet undertaken a performance evaluation with respect to the Board, its committees and individual directors.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically 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>	YES	<p>The Board reviews the performance of its senior executives on a routine basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act), other than non-executive Directors.</p> <p>The applicable processes for these evaluations can be found in the Company’s Performance Evaluation Policy, which is available on the Company’s website.</p> <p>The performance evaluation policy has been newly adopted and therefore no performance evaluation has been undertaken in accordance with those processes contained within the policy.</p>
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p>	NO	The Company does not comply with Recommendation 2.1. The Company is not of a relevant size to consider formation of a nomination

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<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 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>		<p>committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>
<p><b>Recommendation 2.2</b></p> <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>	Yes	<p>The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as corporate finance, geology, mining, policy development, mergers and acquisition, legal, commercial and customer relationships. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p>	Yes	<p>The Company will disclose in its Annual Report those Directors it considers independent Directors and the considerations given in determining independence. The Annual Report also includes the length of service of each Director.</p>

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<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>		
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>2 out of the Company's 4 Directors are considered to be independent. The remaining Directors are not considered to be independent.</p> <p>As the Company grows, the Board will consider the appointment of an additional independent Director.</p>
<p><b>Recommendation 2.5</b></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>	NO	<p>Evan Cranston is the Company's Chair and is not considered independent by virtue of his position as an executive director.</p> <p>As the Company grows, the Board will consider the transitioning this role to that of an independent director.</p>
<p><b>Recommendation 2.6</b></p> <p>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.</p>	YES	<p>In accordance with the Company's Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	Yes	<p>The Board has approved a Statement of Values and charges the Directors with the responsibility of inculcating those values across the Company.</p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p>	Yes	<p>The Company has adopted a Code of Conduct for the Board, senior executives and employees that promote the highest standards of</p>

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(a) have and disclose a code of conduct for its directors, senior executives and employees; and  (b) ensure that the board or a committee of the board is informed of any material breaches of that code.		ethics and integrity in carrying out their duties to the Company.
<b>Recommendation 3.3</b> A listed entity should:  (a) have and disclose a whistleblower policy; and  (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Board has adopted a Whistleblower 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 whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.
<b>Recommendation 3.4</b>  (a) have and disclose an anti-bribery and corruption policy; and  (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	YES	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.
<b>Recommendation 4.1</b> 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,	PARTIALLY	The Company's audit committee consists of three members who will be appointed by the Board. To the extent possible, the Board will endeavour to appoint Non-Executive Directors as members, with a majority of the appointees being independent. The audit committee will be chaired by an independent director, who is not the chair of the Board. The Company Secretary will perform the duties of Secretary of the Audit Committee.

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<p>and disclose:</p> <ul style="list-style-type: none"> <li>(i) the charter of the committee;</li> <li>(ii) the relevant qualifications and experience of the members of the committee; and</li> <li>(iii) 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</li> </ul> <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>The Company will disclose the charter of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. The relevant qualifications and experience of the members will not be disclosed in the charter of the committee. The Company will disclose the charter of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. The relevant qualifications and experience of the members will not be disclosed in the charter of the committee.</p>
<p><b>Recommendation 4.2</b></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>	YES	<p>The Board relies on management accountability for the Company's financial statements and reports for a financial period and requires the CEO and CFO/Company Secretary, to provide declarations that in their opinion, the financial records and reports have been properly maintained and presented and comply with appropriate accounting standards, giving a true and fair view, in all material respects, of the financial position and performance of the Company and its entities.</p>
<p><b>Recommendation 4.3</b></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>	YES	<p>When preparing reports for release to the market including the periodic reports, these reports shall be prepared and reviewed by the Chief Executive Officer before being presented to the Board for review and approval. Such reports shall not be released to market without this review and approval process by executive management and the Board.</p>

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<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	YES	<p>(c) The Company has adopted a Continuous Disclosure Policy which is set out within the Company's Corporate Governance Plan and details the Company's disclosure requirements as required by the Listing Rules and other relevant legislation.</p> <p>(d) The Continuous Disclosure Policy is available on the Company's website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	YES	<p>The Board has appointed the Company Secretary as the person responsible for communicating with the relevant securities exchanges and overseeing and coordinating the timely disclosure of information to ASX and TSX-V, subject to prior review and approval of all announcements by the Directors or any person with appropriate delegated authority. 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, the Company Secretary promptly forwards this to the Board.</p>
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives 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>The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors or any person with appropriate delegated authority. The Company Secretary will ensure any substantive presentations are released to the ASX Market Announcements Platform ahead of the presentation and in accordance with the Continuous Disclosure Policy.</p>

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<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available on the Company's website.
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program to facilitate effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to Shareholders.
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	YES	<p>As per the Company's Shareholder Communications Policy, Shareholders will be encouraged to participate at all meetings of security holders the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p> <p>CDI holders are also encouraged to attend the Meeting, however cannot vote in person and must direct CHES Depositary Nominees how to vote in advance of the meeting.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.</p>	YES	The Company conducts a poll at meetings of security holders to decide each resolution.
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.</p>	NO	<p>The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. Regular reports are released through the ASX and the TSX-V as well as the media. Notices of all meetings of shareholders, annual reports, quarterly reports and material TSX-V announcements are posted on SEDAR (<a href="http://www.sedar.com">www.sedar.com</a>).</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 7.1</b></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,</p> <p>and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</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 separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
<p><b>Recommendation 7.2</b></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>	YES	<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 Risk Management Policy and will disclose in relation to each reporting period whether a review of the risk management has taken place.</p>
<p><b>Recommendation 7.3</b></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>	NO	<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</p>

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(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.		in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Policy, which is available on the Company's website.</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><b>Recommendation 8.1</b></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>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the</p>	NO	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</p>

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<p>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>		
<p><b>Recommendation 8.2</b></p> <p>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.</p>	NO	<p>The Board Charter sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.</p> <p>All 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 or its subsidiaries, and potentially the ability to participate in incentive plans.</p> <p>Details of the remuneration of the Directors and other executives are in the Company's Management Information Circular provided in connection with the annual general meeting held on 13 October 2020, available on the Company's website and SEDAR .</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>The Company's Trading Policy 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 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 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</p>

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		<p>securities.</p> <p>The Trading Policy is available on the Company's website.</p>
<p><b>Recommendation 9.1</b></p> <p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	N/A	-
<p><b>Recommendation 9.2</b></p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	YES	The Company will hold its annual general meeting in either British Columbia or Australia.
<p><b>Recommendation 9.3</b></p> <p>A listed entity established outside Australia, and an externally managed 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	The Company will hold its annual general meeting in British Columbia or Australia. Under the BCBCA, the auditor is not required to attend an annual general meeting, unless a registered shareholder requires the auditor's attendance by written notice given to the Company at least 5 days before the meeting.