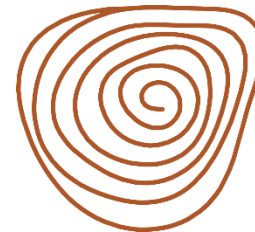


# 2022 Corporate Governance Statement

## Native Mineral Resources Holdings Limited

ACN 643 293 716



This Corporate Governance Statement (**Statement**) outlines the main governance practices currently in place for Native Mineral Resources Holdings Limited (**Company**).

The Company has considered and addressed the 4<sup>th</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Fourth Edition**) and adopted those principles to the extent it considers appropriate and outlined reasons why the Company doesn't comply, where relevant.

This report is approved by the Board as at DD Month 2022 and all references to:

- the "Company's website" is to [www.nmresources.com.au](http://www.nmresources.com.au)
- "Financial Year" are to the 2022 financial year.

---

### Principle 1 - Lay solid foundations for management and oversight

**A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.**

The Board of directors (**Board**) is responsible for evaluating and setting the strategic direction for the Company, establishing goals for management, and monitoring the achievement of these goals.

The principal functions and the responsibilities of the Board include but are not limited to the following:

- defining the Company's purpose, providing leadership and setting the strategic direction of the Company;
- approving the Company's statement of values and the Code of Conduct;
- reviewing on an ongoing basis how the Company's strategic environment is changing, what key risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- overseeing management's implementation of the Company's strategic objectives and its performance generally;
- appointing and when necessary removing:
  - the chairperson of the Board (**Chair**);
  - the Chief Executive Officer of the Company (**CEO**) and approving or ratifying the appointment of other senior executives (**Senior Executives**); and
  - the company secretary (**Company Secretary**);
- evaluating, approving and monitoring the Company's annual budgets and business plans;
- approving and monitoring the progress of major capital expenditure;
- determining the Company's dividend policy (if any) and overseeing the financing of dividend payments (if any);
- monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- receiving representations and attestations from the CEO and Chief Financial Officer (**CFO**) as required by laws or the ASX Listing Rules, including that the financial records have been properly maintained;
- ensuring that the Company has in place an appropriate risk management framework;
- setting the risk appetite within which the Board expects management to operate;
- approving the Company's remuneration framework;
- monitoring the effectiveness of the Company's governance practices;
- monitoring and managing the performance of Senior Executives;



- ensuring that appropriate resources are available to Senior Executives;
- approving and managing succession plans for Board, Senior Executives and other key management positions that may be identified from time to time;
- approving and monitoring financial and other reporting to the market, security holders, employees and other stakeholders;
- reviewing and monitoring any related party transactions; and
- monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

Recommendation	Adopted	Reason
Recommendation 1.1	Yes	The Company has adopted a Board Charter as part of its Corporate Governance Plan, which is available on the Company's website. The Board Charter details the respective roles and responsibilities of its board and management; and those matters expressly reserved to the Board and those delegated to management.
Recommendation 1.2	Yes	The Company has established a Nominations and Remuneration Committee which oversees the process of undertaking appropriate checks before appointing a director or Senior Executive or putting someone forward for election as a director; and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
Recommendation 1.3	Yes	Each director and Senior Executive have a formal engagement agreement setting out their roles, responsibilities, basis of remuneration and other terms of their appointment.
Recommendation 1.4	Yes	The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Chair and the Company Secretary co-ordinate the Board agenda. All directors have access to the Company Secretary.
Recommendation 1.5	Yes	The Company has adopted a Diversity Policy as part of its Corporate Governance Plan, which is available on the Company's website.  The Company is committed to workplace diversity. The Board has adopted a tiered approach to the implementation of its Diversity Policy, which is relative to the size of the Company Group and its workforce. Whilst the Group's workforce remains below 50, the Board will continue to drive the Group's diversity strategies on an informal basis and will apply the initiatives contained in this Diversity Policy to the extent that the Board considers relevant and necessary.
Recommendation 1.6	Yes	The Company has disclosed a Performance Evaluation Plan dealing with the process of periodically reviewing the performance of the Board, its committees, and individual directors as part of its Corporate Governance Plan, which is available on the Company's website. The Board has established a Nominations and Remuneration Committee to oversee this process and to report to the Board.
Recommendation 1.7	Yes	The Company has disclosed a Performance Evaluation dealing with the process of periodically reviewing the performance of Senior Executives as part of its Corporate Governance Plan, which is available on the Company's website. The Board has established a Nominations and Remuneration Committee to oversee this process and to report to the Board.

## Principle 2 - Structure the board to be effective and add value

**The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.**

The current board structure, skill and commitment is suitable for a mining exploration company. The Company undertakes comprehensive reference checks prior to appointing a director or putting a person forward as a candidate. This ensures the candidate is competent, experienced and would in no way impair their ability to undertake their duty as a director.

The Nomination and Remuneration Committee is responsible for the nomination and selection of directors. The Nomination and Remuneration Committee reviews the size and composition of the Board at least once a year



as part of the Board evaluation process. Generally, a list of potential candidates is identified based on skills required, geographic location and diversity criteria.

Recommendation	Adopted	Reason
Recommendation 2.1	Partially	<p>The Board has established a Nominations and Remuneration Committee and adopted a Nominations and Remuneration Committee Charter in respect of nomination and remuneration, as part of its Corporate Governance Plan, which is available on the Company's website. Due to the size of the Board, the committee has two members, both of whom are non-executive independent directors, and is chaired by an independent director.</p> <p>The Company has disclosed the full details of the directors and the information regarding meeting attendance at Board and Committee meetings in the 2022 Annual Report.</p>
Recommendation 2.2	Yes	The Company disclosed a Skills Matrix setting out the mix of skills that the board currently has as part of its Corporate Governance Plan published on the Company's website.
Recommendation 2.3	Yes	The Company has disclosed the full details of directors, their length of service and independence in the 2022 Annual Report.
Recommendation 2.4	Yes	The Board has reviewed the position and associations of each of the directors in office and has determined that 2 of the 3 directors are independent non-executive directors. In making this determination the Board has had regard to the independence criteria in the ASX Recommendations and other facts, information, and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.
Recommendation 2.5	Yes	The Chair is considered independent and is not the same person as the CEO.
Recommendation 2.6	Yes	<p>The Company ensures new directors have an extensive induction into the business of the Company prior to accepting their appointment, including meetings with relevant Senior Executives to gain an understanding of the Company's structure, business operations, culture and key risks.</p> <p>The Nominations and Remuneration Committee also ensures there is a process in place for existing directors to undertake professional development to maintain skills and knowledge needed to perform their roles as directors effectively.</p>

### Principle 3 - Instil a culture of acting lawfully, ethically, and responsibly

**A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.**

The Company is an Australian company, therefore falling under the jurisdiction of the Corporations Act. All directors are required to act ethically and responsibly at law.

Recommendation	Adopted	Reason
Recommendation 3.1	Yes	The Board is committed to the establishment and maintenance of appropriate ethical standards to instil confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct as part of its Corporate Governance Plan, which is available on the Company's website.
Recommendation 3.2	Yes	<p>The Company has adopted a Code of Conduct as part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>Under s16 of the Code of Conduct, Managers and Senior Executives must ensure that the Board is informed of material breaches.</p>
Recommendation 3.3	Yes	<p>The Board has adopted a Whistleblower Policy as part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>Under s7 of the Whistleblower Policy, any person who has reasonable grounds to suspect that malpractice or misconduct has occurred is encouraged to report any malpractice or misconduct to their managers or Company Secretary. Any items of concern may also be raised with the Chair. All material breaches are reported to the Board</p>



Recommendation 3.4	Yes	<p>The Company has adopted an Anti-Bribery and Corruption Policy as part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>Under s4 of the Anti-Bribery and Corruption Policy, all officers, employees, contractors and consultants of Native Mineral Resources Holdings and the Partner Firms must notify the CEO or the Company Secretary of any material breaches. All material breaches are reported to the Board</p>
--------------------	-----	---

#### Principle 4 - Safeguard the integrity of corporate reports

##### A listed entity should have appropriate processes to verify the integrity of its corporate reports.

All ASX listed entities are required by the Listing Rules to report on various matters. The manner and form of reporting is governed by the ASX. All directors are obliged to make declarations as to their obligations in relation to reporting amongst other things. The external auditor provides annual reporting to the Board.

Recommendation	Adopted	Reason
Recommendation 4.1	Partially	<p>The Board has established an Audit and Risk Committee, which, due to the size of the Board, has 2 members, both of whom are non-executive independent directors and is chaired by an independent director. The Company has adopted an Audit and Risk Committee Charter as part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company has disclosed the full details of the directors and the information regarding meeting attendance at Board and Committee meetings in the 2022 Annual Report.</p>
Recommendation 4.2	Yes	The CEO and CFO provide a written declaration pursuant to S295A of the Corporations Act 2001 (Cth) for half and full year financial reports. The CEO and CFO also provide this declaration for quarterly reporting required under Chapter 5 of the Listing Rules.
Recommendation 4.3	Yes	The process by which the Company verifies information disclosed in periodic corporate reports is set out in its Audit and Risk Committee Charter as part of its Corporate Governance Plan, which is available on the Company's website.

#### Principle 5 - Make timely and balanced disclosure

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

The Board has designated the Company Secretary as the person responsible for communication with the ASX. The Board is responsible for ensuring all Company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules or Corporations Act 2001 (Cth) and that Company announcements are expressed in a clear and objective manner.

Recommendation	Adopted	Reason
Recommendation 5.1	Yes	<p>The Company has a Continuous Disclosure Policy as part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>The overarching principle of this policy is governed by Listing Rule 3.1, which requires the Company to immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of the Company's quoted securities, provided the information does not fall within the exception to disclosure under the ASX Listing Rules.</p>
Recommendation 5.2	Yes	The Company's Continuous Disclosure Policy provides that the Board receives copies of all material market announcements promptly after the announcement has been made.
Recommendation 5.3	Yes	The Company's Continuous Disclosure Policy provides that any new and substantive investor or analyst presentations be released to the ASX Markets Announcements Platform ahead of the presentation.



## Principle 6 - Respect the rights of security holders

**A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.**

The Company, being a listed entity, provides all security holders with a medium for access to all appropriate information. The services of the Company Secretary also ensure security holders have direct contact with the Company at all times.

The Company recognises the value of providing current, relevant and objective information to its security holders. The Company is committed to communicating effectively with security holders, through releases to the market via the ASX and General Meetings.

The Company makes available relevant contact details in the Company for security holders to make enquiries.

Recommendation	Adopted	Reason
Recommendation 6.1	Yes	All policies and charters of the Company form part of its Corporate Governance Plan, which is available to investors on the Company's website.  The Company also includes links to its prospectus, and all presentations and announcements made through the ASX on its website.
Recommendation 6.2	Yes	The Company has adopted a Shareholder Communications Strategy as part of its Corporate Governance Plan, which is available on the Company's website, and makes available relevant areas of contact for security holders to make enquiries of the Company.
Recommendation 6.3	Yes	Security holders are informed of their rights and encouraged to participate at meetings of security holders.
Recommendation 6.4	Yes	The Company ensures that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.
Recommendation 6.5	Yes	The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

## Principle 7 - Recognise and manage risk

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

The Board has established the Audit and Risk Committee which is responsible for the risk management of the Company.

The Audit and Risk Committee is committed to the identification, assessment, and management of risk throughout the Company's activities. The level of risk processes in place to mitigate any risk and the management of any such issues are of utmost importance and are regularly reviewed.

The Board requires management to design and implement a risk management and internal compliance and control system to manage the Company's material business risks. The Company's process of risk management and internal compliance and control is focused on:

- Formulating risk management strategies;
- Identifying and measuring risks that impact upon the achievement of the Company's direction and objectives; and
- Monitoring the business environment for emerging factors and trends that affect those risks.

The Company has adopted a Charter in respect of Audit and Risks. Senior management, the Audit and Risk Committee and the Board are aware of the risks as disclosed on the Company's website and will continue to develop and implement a risk management framework.



Recommendation	Adopted	Reason
Recommendation 7.1	Partially	<p>The Board has established an Audit and Risk Committee, which, due to the size of the Board, has 2 members, both of whom are non-executive independent directors and is chaired by an independent director. The Audit and Risk Committee Charter forms part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company has disclosed the full details of the directors and the information regarding meeting attendance at Board and Committee members in the 2022 Annual Report.</p>
Recommendation 7.2	Yes	The Board reviews and approves the Risk Management Policy as part of the Corporate Governance Plan available on the Company's Website, 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.
Recommendation 7.3	Yes	<p>The Board has not yet formed an internal audit function as it considers that this is not currently feasible given the size of the Company and the relatively small management and employee team.</p> <p>The Audit and Risk Committee reviews and monitors the parameters under which risks will be managed. Management accounts will be prepared and reviewed with the Company Secretary and presented at subsequent Board meetings. Budgets are prepared and continually compared against actual results.</p>
Recommendation 7.4	Yes	Any material exposure to environmental or social risks, and intended management of those risks, where relevant, are disclosed on the Company's website.

## Principle 8 - Remunerate fairly and responsibly

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.**

The Company has set the non-executive's maximum aggregate remuneration at \$500,000. While there is a greater reliance on senior management for developing the business, remuneration of the managers at this stage is of greatest importance to ensure the sustainability and growth of the current business.

As the Company further increases its activity, the remuneration of the directors and senior managers will be assessed by the Nomination and Remuneration Committee and a recommendation made to the Board as a whole. The Board has adopted a Nomination and Remuneration Charter.

Recommendation	Adopted	Reason
Recommendation 8.1	Partially	<p>The Board has established a Nominations and Remuneration Committee, which, due to the size of the Board, has 2 members, both of whom are non-executive independent directors and is chaired by an independent director. The Nominations and Remuneration Committee Charter forms part of its Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company has disclosed the full details of the directors and the information regarding meeting attendance at Board and Committee meetings in the 2022 Annual Report.</p>
Recommendation 8.2	Yes	<p>Remuneration of all directors and Senior Executive is disclosed in the Company's Annual Report, a copy of which is available on the Company's website. Non-executive director, executive director and senior management remuneration policies and practices are set out in the Company's Remuneration Policy which is part of the Company's Corporate Governance Plan, a copy of which is available on the Company's website.</p> <p>Remuneration of non-executive directors comply with ASX Listing Rules, including that:</p> <ul style="list-style-type: none"> <li>fees payable to non-executive directors must be by way of a fixed sum, and not by way of commission on or a percentage of profits or operating revenue;</li> <li>the total fees payable to non-executive directors must not be increased without the prior approval of members in general meeting.</li> </ul>



		<ul style="list-style-type: none"> <li>• Remuneration of executive directors comply with the ASX Listing Rules and the terms of any agreement entered into.</li> </ul>
Recommendation 8.3	Yes	The Board has adopted a securities Trading Policy and an Employee Share Option Plan. These were both submitted to the ASX upon the Company's Listing. A copy of the Company's securities Trading Policy is part of the Company's Corporate Governance Plan, a copy of which is available on the Company's website. The Company has also adopted an Executive Incentive Plan, the details of which were set out in the Company's 2021 AGM Notice of Meeting.

Recommendations 9.1 through 9.3 do not apply to Native Mineral Resources Holdings Limited.

