

CORPORATE GOVERNANCE STATEMENT 2020

The Board of Miramar Resources Limited (the **Company** or **Miramar**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The ASX document '*Corporate Governance Principles and Recommendations 4th Edition*' (**Recommendations**) published by the ASX Corporate Governance Council applies to listed entities with the aim of enhancing the credibility and transparency of Australia's capital markets. The Board has assessed the Group's current practice against the Principles and Recommendations.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation under "*If Not, Why Not*" Disclosure. This Statement should be read in conjunction with the Company's Corporate Governance Plan on its website <https://www.miramarresources.com.au>.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1: Disclose a board charter

The Company's Board Charter is disclosed on the website which details the respective role and responsibilities of the Company's board and management and those matters expressly reserved to the board and to management.

RECOMMENDATION 1.2: Undertake appropriate checks before appointing a director or senior executive and provide material information to security holder

The Company undertakes appropriate checks before appointing a director or senior executive or endorsing the election of any prospective 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 by providing biographical details of candidates including relevant qualifications, experience and skills and details of any other material directorships currently held by the candidate and in the case of a candidate standing for election as a director for the first time:

- › confirmation that the entity has conducted appropriate checks into the candidate's background and experience which have been satisfactory; and
- › if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.

RECOMMENDATION 1.3: Establish a written agreement with each director and senior executive setting out the terms of their appointment

Each director and senior executive are party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment, including the remuneration entitlement and performance requirements. Directors also receive a deed of indemnity, insurance, and access.

As a non-listed public company, it has not been required to disclose information regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The Company intends to disclose the matters contemplated in future annual reports.

RECOMMENDATION 1.4: The Company Secretary should be accountable directly to the Board, through the Chair

The Company Secretary of Miramar is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board and is engaged under an engagement letter. She is responsible for advising the Board and its committees on governance matters and monitoring that Board and Company policies and procedures are followed. The Company Secretary's appointment is approved by the Board.

RECOMMENDATION 1.5: Disclose a diversity policy and set measurable objectives for achieving gender diversity

The Company's Diversity Policy is disclosed on the website. The Diversity Policy provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Company is still in the process of developing measurable objectives for achieving gender diversity. The measurable objectives set by the Board will be included in the annual key performance indicators for the Executive Chairman and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.

RECOMMENDATION 1.6: Disclose whether a performance evaluation of the Board was undertaken in the reporting period

The Nomination and Remuneration Committee is responsible for evaluating the performance of the Board and individual Directors on an annual basis as appropriate. It may do so with the aid of an independent adviser. The Board has not established a Nomination and Remuneration Committee at this time. Until such time as the Board determines that it is appropriate to establish a separate Nomination and Remuneration Committee, the function of the Nomination and Remuneration Committee as set out in the Charters will be performed by the Board.

Evaluation of the Board is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level of operations justifies it. No performance evaluation was undertaken in the reporting period.

RECOMMENDATION 1.7: Disclose whether a performance evaluation of its senior executive was undertaken in the reporting period

The Company's Board is responsible for evaluating the performance and remuneration of the senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.

Evaluation of the senior executives is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level of operations justifies it. No performance evaluation was undertaken in the reporting period.

PRINCIPLE 2: STRUCTURE OF THE BOARD TO BE EFFECTIVE AND ADD VALUE

RECOMMENDATION 2.1: Establish a nomination committee

The Board as a whole decides on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board will identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board may also seek independent advice to assist with the identification process. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. Until the situation changes the Board will carry out any necessary Nomination Committee functions.

RECOMMENDATION 2.2: Board Skill Matrix

The Company's objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives.

The Board intends to formally undertake a Board skills matrix setting out the mix of skills and diversity that the Board currently has in its membership through a periodic assessment process.

The Company intends to disclose the board skill matrix in the future annual corporate governance statements.

RECOMMENDATION 2.3: Independent Directors

The Board currently consists of three directors (one Non-Executive Directors and two Executive Directors) of whom all directors are considered non-independent.

The existence of any of the relationships listed in Box 2.3 of the Guide (regarding director independence) and an explanation of why the Board considers a Director to be independent, notwithstanding the existence of those relationships is disclosed in the Company's Corporate Governance Plan, available on the website.

The period of office held by each Director in office is disclosed in the Company's Annual Report.

RECOMMENDATION 2.4: Majority Independent Directors

The Board currently consists of three directors (one Non-Executive Directors and two Executive Directors) of whom all directors are considered non-independent. Details of their skills, experience and expertise

and the period of office held by each Director have been included in the Directors' Report. The number of Board meetings and the attendance of the Directors are set out in the Directors' Report.

The Board considers that the composition of the existing Board is appropriate given the scope and size of the Group's operations and the skills matrix of the existing Board members. The Board will continue to monitor whether this remains appropriate as the scope and scale of its activities evolves and expands.

RECOMMENDATION 2.5: The Chair of the Board should be an independent director and, in particular, should not be the same person as the Managing Director/Chief Executive Officer

The current Chair of the Company is Mr Allan Kelly. Mr Kelly does not satisfy the Recommendations definition of an independent director and he holds an equivalent position of a Managing Director. However the Board considers Mr Kelly's role as Executive Chairman essential to the success of the Group in its current stage, wherein the Group continues to refine its focus on the strategic development of the business. Over time, it is proposed that the Chair position will transition to an independent non-executive director who will not be the same person as the Managing Director.

RECOMMENDATION 2.6: A program for inducting new directors and for periodically reviewing existing directors to undertake professional development

The Company Secretary will facilitate the induction of Directors. The Board will approve and review induction and procure appropriate professional opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively and to deal with new and emerging business and governance issues.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1: Articulate and disclosure its values

The Company's standard of values is set out in its Code of Conduct which is disclosed on the website.

RECOMMENDATION 3.2: Disclose a code of conduct and be informed of any material breaches

The Company's Code of Conduct is disclosed on the website. The Company Secretary is required to ensure that the Board is informed of any material breaches of the policy.

RECOMMENDATION 3.3: Disclose a whistleblower policy and be informed of any material incidents

The Company's Whistleblower Policy is disclosed on the website. The Company Secretary is required to ensure that the Board or the committee is informed of any material incidents under the policy.

RECOMMENDATION 3.4: Disclose an anti-bribery and corruption policy and be informed of any material breaches

The Company's Anti-Bribery and Corruption Policy is disclosed on the website. The Company Secretary is required to ensure that the Board or the committee is informed of any material breaches of the policy.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

RECOMMENDATION 4.1: Establish an audit committee

The Board as a whole meets with the auditor to identify and discuss the areas of audit focus, appropriateness of the accounting judgement or choices exercised by management in preparation of the financial statements. The Board may also seek independent advice as and when required to address matters pertaining to appointment, removal or rotation of auditor. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have a separate Audit Committee.

RECOMMENDATION 4.2: Approval of financial statements

The Board of Miramar, before it approves the entity's financial statements for a financial period, receives from its the Executive Chairman and Group Finance Officer provide the following declaration to the Board in respect of each quarter, half and full year financial period:

- › that the Group's financial records have been properly maintained;
- › that the Group's financial statements, in all material respects, are complete and present a true and fair view of the financial condition and operational results of Miramar and the Group and are in accordance with the relevant accounting standards;
- › that the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and

that the Group's risk management and internal compliance and control systems are operating effectively in all material respects.

RECOMMENDATION 4.3: Verification of integrity of financial report

The Company is committed to providing clear, concise, timely and effective disclosure in our corporate reports. This procedure applies to Miramar and its subsidiaries and to any periodic corporate report produced by the Company and is as follows:

- › each Periodic Corporate Report is prepared by, or under the supervision of, subject-matter experts;
- › material statements in each Periodic Corporate Report are reviewed by the relevant functional and divisional heads to ensure that they are accurate, not misleading, and meet the Company's corporate policy and regulatory requirements, and that the Periodic Corporate Report contains no material omissions;
- › information about the Company's resources is only included in a report if the information complies with the ASX Listing Rules;
- › information in a Periodic Corporate Report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board; and
- › each draft Periodic Corporate Report is reviewed by the Executive Chairman, Chief Financial Officer and/or the Company Secretary before its release.

PRINCIPLE 5: MAKE TIMELY AND BALANCES DISCLOSURE

RECOMMENDATION 5.1: Disclose a continuous disclosure policy

The Company's Continuous Disclosure Policy is disclosed on the website. The Company complies with ASX Listing Rule 3.1.

RECOMMENDATION 5.2: Board receives market announcement promptly

The Company ensures that its directors receive copies of all material market announcements promptly after they have been made.

RECOMMENDATION 5.3: Investor or analyst presentation released to ASX ahead of the presentation

The Company releases any substantive investor or analyst presentation on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION 6.1: Provide information of the Company and its governance on the website

The Company provides information about itself and its governance to investors via its website and complies with Listing Rule 3.1 in relation to publication of all relevant documents and reports.

All policies, charter and statements are available on its website <https://www.miramarresources.com.au>.

RECOMMENDATION 6.2: Investor relations program to facilitate effective two-way communication

The Company's Shareholder Communication Policy aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

RECOMMENDATION 6.3: Encourage participation at meetings

The Company discloses how it facilitates and encourages participation at meetings of shareholders in its Shareholder Communication Policy.

RECOMMENDATION 6.4: Resolutions at a meeting to be decided by poll

The Company has provision in its Constitution which allow for all substantive resolutions to be determined by a poll if shareholders request it. The number of votes for or against a resolution is both reported in the Company's Minutes and announced to ASX in accordance with the provisions of the ASX Listing Rules.

RECOMMENDATION 6.5: Option to receive and send communication electronically

The Company encourages and provide security holders with the option to receive and send communicate from/to the Company and the share registry by electronic communications.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1: Establish a risk committee

The Company is constantly monitoring risks associated with the economy, industry and company due to their role as professional fund managers, lawyers, in-country specialists and shareholders with a view to managing risks and identifying threats. This process is on-going. The preparation of the Board pack and its timely distribution is a key element of this process along with monthly cash flow budgets, management discussions and informal communications between the Board and management via telephone, email and in person. The Board considers that this process is appropriate given the size and complexity of the Group's affairs. It is not considered necessary to have a separate Risk Committee.

RECOMMENDATION 7.2: Risk Management Framework and Periodic Review

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be part of this process and as such the Board has not established a separate risk management committee. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs.

The Board has a number of mechanisms in place to ensure management's objectives and activities are aligned by the Board. These include but are not limited to the following:

- › Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- › Implementation of Board approved operating plans and Board monitoring of the progress against budgets that is reviewed at every board meeting.

RECOMMENDATION 7.3: Internal Audit

The Company reviews its risk and internal control processes on a continual informal basis and works alongside auditors at half year and year end reviews to identify the Company's risks, systems and procedures. The Company may also seek independent advice to assist with the identification of risks and processes if and when required. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have an internal audit function. Nonetheless it remains committed to effective management and control of these factors.

RECOMMENDATION 7.4: Material Economic, Environmental and Social Risk

The nature of the Group's exploration operations is such that it could be seen to be constantly exposed to economic, environmental and social risks. The Board and Management have respect for the rights and beliefs of all stakeholders and it is part of the Group's culture to have open, honest and constant two way communication with stakeholders and to operate fully within the laws of the jurisdictions the Group operates within. The Group maintains high standards with regards its environmental and social practices and is constantly striving to improve its engagement and information processes. The Board and Management will continue to monitor these risks to the Group.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1: Establish a Remuneration Committee

The Board as a whole may appoint an independent working group comprising consultants, Directors and/or the Company Secretary to review and make recommendations to the board in relation to the remuneration framework as well as identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have a separate nomination or remuneration committee. Until the situation changes the Board of Miramar will carry out any necessary remuneration committee functions.

RECOMMENDATION 8.2: Disclose policies and practices regarding the remuneration of the non-executive directors, executive directors and other senior executives

The Company's Remuneration Committee Charter sets out the policies, practices and remuneration that reflect the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives.

RECOMMENDATION 8.3: Equity Based Remuneration Scheme

The Company does not have an equity-based remuneration scheme in place. In the event where the Company establish an equity based remuneration scheme in place, it does not intent to permit the use of derivatives to limit the economic exposure of the plan.

OTHER PROCESSES

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Company are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Group's expense obtain independent professional advice to properly discharge their responsibilities.