

## 2021 Corporate Governance Statement

---

Musgrave Minerals Limited (the **Company**) (**Musgrave**) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. This Corporate Governance Statement has been approved by the Musgrave Board and sets out the Company's main corporate governance policies and practices. All these practices, unless otherwise stated, were in place for the entire year ended 30 June 2021, reported against the 4<sup>th</sup> Edition of the ASX Corporate Governance Principles. The policies and practices have aimed to ensure the implementation of a strategic business plan and an integrated framework of accountability over the Company's resources, functions and assets.

In addition to the information contained in this statement, the Company's website [www.musgraveminerals.com.au](http://www.musgraveminerals.com.au) contains a dedicated corporate governance section which includes copies of the key governance policies adopted by the Company.

The Corporate Governance Statement was approved by the Board and is current as at 21 September 2021.

### **Principle 1: Lay solid foundations for management and oversight**

#### *Role of the Board and Management*

The Constitution provides that the business of the Company is to be managed by or under the direction of the Board. The roles and responsibilities of the Board are formalised in the Board Charter. The relationship between the Board and Senior Management is critical to the Company's long-term success. The Directors are responsible to Shareholders for the performance of the Company in both the short and the longer term and seek to balance objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of Shareholders and other key stakeholders and to ensure the Company is properly managed.

The Board is responsible for leadership, approval of the corporate strategy, implementation of business plans, allocation of resources, approval of budgets and capital expenditure, reviewing and monitoring systems of risk management, internal control and compliance and the adherence to Company policy and codes. It also has other obligations of a regulatory and ethical nature.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director. This delegation is reviewed on an annual basis.

For a complete list of the functions reserved to the Board and those delegated to management and to view a copy of the Board Charter, please refer to the Corporate Governance section of the Company's website at [www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)

#### *Director Checks*

The Company performs checks on all potential Directors which include checks on a person's character, experience, education, criminal record and bankruptcy history. Potential Directors are required to provide their consent for the Company to conduct any background or other such checks and also acknowledge they will have sufficient time available to fulfil their responsibilities as Director of the Company.

## Corporate Governance Statement

---

Details pertaining to the skills, qualifications and experience of each Director are displayed on the Company's website and also outlined in the Directors Report contained within the Company's 2021 Annual Report.

Newly appointed Directors must stand for re-appointment at the next Annual General Meeting (AGM) of the Company. The Notice of Meeting for the AGM provides shareholders with information about each director standing for election or re-election including details regarding the length of their tenure, relevant skills and experience. Mr Brett Lambert will stand for election and Mr John Percival will stand for re-election at the Company's 2021 AGM.

### *Written Agreements with each Director and Senior Executives*

The Company has entered into a Service Agreement with its Managing Director, Mr Robert Waugh, and all other senior executives are subject to employment agreements with standard commercial terms which are summarised in the Directors Report.

Non-Executive Directors have entered into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms of appointment, including compensation relevant to the office of Director.

Details of the letters of appointment and executive service agreements for senior management are provided in the Remuneration Report within the Annual Report.

### *Company Secretary*

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary.

Details of the qualifications and experience of the Company Secretary are provided in the Directors Report contained within the Annual Report.

The decision to appoint or remove the Company Secretary is made and approved by the Board.

### *Diversity*

The Company has a Diversity Policy, which documents the principles and commitment in relation to maintaining a workforce comprising individuals with diverse backgrounds, skills, age and experience. This policy is disclosed on the Company's website. The Company however has not fully complied with Recommendation 1.5 in that it has not set measurable objectives for achieving gender diversity in the composition of its Board, senior executive and workforce generally.

The Board continues to monitor the diversity of its workforce and is satisfied with the current level of gender diversity within the Company as disclosed below. Due to the size of the Company, its activity level and small number of employees, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity. The table below outlines total proportion of men and women on the Board, in senior positions and across the whole organisation as at the date of this statement.

Category	Men	Women
Board	4	1
Senior Management (excluding the Managing Director captured above)	1	1
Whole Organisation	13	5

# Corporate Governance Statement

---

## *Assessment of Board Performance*

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of the Board evaluation is to identify ways to improve performance.

The Company has a policy of reviewing the performance of its Board, its Committees and individual Directors on an annual basis. The process is carried out internally and is managed by an independent Non-Executive Director with feedback received from the Chairman. This review involves the performance of the Board against agreed strategic goals and the application of best practice criteria to the Board's responsibilities. A review took place during the year with the results and insights tabled and discussed at a subsequent meeting of Directors.

The Board considers its processes for reviewing performance of the Board appropriate for the size and stage of development of the Company. Shareholders are also able to assess the performance of the Board and individual directors by the way they govern and manage the Company and vote for or against their re-appointment at the AGM.

## *Performance evaluation of Senior Executives*

A performance assessment for senior executives took place during the reporting period in accordance with the Company's agreed policy. This involved the review of senior executives performance against appropriate measures relating to their respective roles and responsibilities, with feedback received from the Board where appropriate.

## **Principle 2: Structure the Board to add value**

### *Nomination Committee*

The Board has not established a Nomination Committee in accordance with Recommendation 2.1.

The Board takes ultimate responsibility for these matters and continues to monitor its composition and the roles and responsibilities of its Board members. The Company however is conscious of ensuring Board renewal and succession planning for the Company is dealt with at Board level. The Board (in conjunction with its annual review of performance) reviews the size, composition and diversity of the Board and the mix of existing and desired competencies across its membership.

### *Skills Matrix*

The Board aims in its membership to maintain a diverse mix of skills and experience that ensure the Board has the expertise to meet both its responsibilities to stakeholders and its strategic objectives. A Board Skills Matrix has been prepared and was reviewed by the Board in conjunction with the review of board performance.

The Board Skills Matrix sets out the mix of skills, experience and expertise the Board currently has across its membership. As well as general skills expected for Board membership, the matrix includes skills or professional qualifications in areas such as: geology, mining, commerce, risk & compliance, finance/accounting, capital markets, leadership and strategy. Each of these areas is currently well represented on the Board.

Given the current size and circumstances of the Company, the Board is of the view that the current Directors possess an appropriate mix of skills, experience, expertise and knowledge to enable the Board to discharge its responsibilities, deliver on the Company's corporate objectives and direct the Company in accordance with high standards of corporate governance.

# Corporate Governance Statement

---

## *Independent Directors*

An independent director is defined in the Recommendations as a Director that is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board consists of the following independent Directors:

- Mr Graham Ascough, Chairman (Appointed 26 May 2010)
- Mr John Percival, Non-Executive Director (Appointed 26 May 2010)
- Mrs Kelly Ross, Non-Executive Director (Appointed 26 May 2010)
- Mr Brett Lambert, Non-Executive Director (Appointed 4 February 2021)

## *A majority of the Board should be Independent Directors*

The Board currently comprises a total of five (5) directors, a majority of which, four (4) are considered to be independent.

Details of the Directors' skills, length of tenure, experience and expertise relevant to the position held by each director are set out in the Directors' Report of the Annual Report and are also available on the Company's website.

Whilst three of the Company's four Non-Executive Directors have served on the Board for more than 10 years, the Board is of the view that none have become too close to management or a substantial shareholder to not be considered independent.

The Directors may, in fulfilling their duties, obtain independent professional advice at the Company's expense, however prior notification by the Director to the Board is required.

## *Chairman should be an Independent Director*

The Company's Chairman, Mr Graham Ascough is an independent Director. The Board continues to review its leadership and governance structures in line with its policy on succession planning.

## *Director Induction and Professional Development of Directors*

The Company has established a program for the induction of new Directors. The induction program covers all aspects of the Company's activities, operations, policies and procedures to ensure that new Directors are able to fulfill their responsibilities and contribute effectively to Board decisions.

In order to develop and maintain the skills and knowledge required to perform their role, all Directors are encouraged to undergo continual professional development. Subject to approval, Directors are to be provided with reasonable access to resources and training to address skill gaps where they are identified and to receive continuing education concerning key developments in the Company and the industry and environment within which the Company operates.

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

### *A listed entity should articulate and disclose its values*

The Company has outlined its core vision and values by expressing the standards of behaviour it expects from its Directors, senior executives and employees in its Code of Conduct.

### *Code of Conduct, Whistleblowing & anti-bribery and corruption*

The Board is responsible for setting the tone of legal, ethical and moral conduct to ensure that the

## Corporate Governance Statement

---

Company is considered reputable by the industry and other outside entities. This involves considering the impact of the Company's decisions on the industry, colleagues and the general community. The Code of Conduct adopted by the Board requires that all Directors and employees abide by the laws, regulations and business practices wherever the Company operates. The Board maintains an approach that preserves the integrity of any laws or regulations under which the Company operates. The Board acknowledges that in most cases, the best source of information about whether the Company is living up to its values are its employees. The Board encourages its employees to speak up about any unlawful, irresponsible or unethical behaviour within the organisation and to this end has adopted a Whistleblower Protection Policy.

The Company has also adopted an Anti-Bribery and Corruption Policy which prohibits Directors, officers and employees from engaging in activity that constitutes bribery or corruption.

The Company has also put in place various internal policies which provide internal controls to ensure employees act only within the authority given to them by the Board. This is to ensure that the Board has responsibility for any material transactions and dealings with outside parties, and that any legal, environmental and social consequences of such dealings will be properly considered before any action is taken.

The Company has an Environmental Policy which requires that all employees comply with the environmental regulations in force in the areas in which work is undertaken. The Company is committed to dealing fairly and equitably with interested parties relating to environmental issues, such as landholders, government agencies and native title claimants.

The Company is committed to maintaining the highest standards of integrity and seeks to ensure that all its activities are undertaken with efficiency, honesty and fairness. The Company also maintains a high level of transparency regarding its actions to ensure that they are consistent with the need to maintain the confidential-in-confidence material and market integrity. The Company has implemented a policy on trading in the Company's securities designed to ensure that all directors, key management personnel and employees of the Company act ethically and do not use confidential information for personal gain.

Any transaction conducted by Directors with regards to shares of the Company requires notification to ASX. Each Director has entered into an agreement to promptly provide any such information with regards to Company dealings directly to the Company Secretary to allow the Company to notify the ASX within the required reporting timeframes. A copy of the Company's Code of Conduct, Whistleblower Protection, Anti-Bribery and Corruption, Health & Safety, Environmental and Securities Trading Policy are available on the Corporate Governance page of the Company's website.

The enforceable cultural expectation of the Board is for information concerning any material breaches of these codes to be reported immediately to the Board.

### **Principle 4: Safeguard integrity of corporate reports**

#### *Audit Committee*

The Board has established an Audit Committee which operates in accordance with a Board approved Audit Committee Charter, a copy of which is available from the Company's website.

The Audit Committee is comprised of three Non-Executive Directors: Mrs Kelly Ross (Chair), Mr Graham Ascough and Mr John Percival. All three members of the Audit Committee are Non-Executive independent Directors which is in accordance with ASX Recommendation 4.1.

# Corporate Governance Statement

---

All members of the Audit Committee consider themselves to be financially literate and possess significant understanding of the industry in which the Company operates.

Further details pertaining to membership of the Audit Committee including each member's qualifications and attendance at Audit Committee meetings are set out in the Directors' Report included in the Annual Report.

### *Declarations from the CEO and CFO*

The Board receives regular reports on the Company's financial and operational results in conjunction with its Board meetings.

The Company's Chief Financial Officer and Managing Director have provided the Board with the appropriate declarations in accordance with section 295A of the *Corporations Act 2001* and Recommendation 4.2 in relation to all financial periods. In providing the declaration to the Board, the CEO and CFO have also stated in writing to the Board that their opinion is founded on a sound system of risk management and internal control which is operating effectively in all material respects.

### *Verifying the integrity of periodic corporate reports*

The Company's process for verification of the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor is similar to the process followed for all releases to the market. That is, it ensures all releases and reports are prepared by appropriately qualified personnel with access to the appropriate information available to them to support the relevant report or release. All reports are then checked and approved for release by authorised personnel in accordance with the Company's Board approved delegation of authority.

## **Principles 5: Make timely and balanced disclosure**

### *Continuous Disclosure*

The Company must comply with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*. The Company is required to disclose to the ASX any information which a reasonable person would expect to have a material effect on the price or value of the Company's securities unless certain exceptions from the requirements apply. To ensure the Company meets its disclosure obligations, the Board has nominated the Managing Director and Company Secretary as responsible for matters of disclosure. Their role is to collate and, where appropriate, disclose price sensitive information.

In the Company's current stage of development, matters of crucial importance arise regularly. The Managing Director will discuss significant issues with Board members who jointly will make a decision on the timely release of factual and balanced information concerning the Company's activities.

### *Board receipt of all material market announcements*

The Company Secretary distributes copies of all material ASX announcements to the Board promptly following release.

### *Investor and Analyst briefings*

Analyst and Shareholder briefings may be conducted following the release of results and major announcements and from time to time, briefings with major shareholders are conducted in order to promote a better understanding of the Company. All presentations that are made to analysts or

## Corporate Governance Statement

---

investors are posted on the Company's website. In conducting briefings, the Company takes care to ensure that any price sensitive information included in the content of the briefings has already been made available to all shareholders and the market.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website.

### **Principle 6: Respect the rights of Security holders**

#### *Information about the Company and its governance*

The Company has a website ([www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)) where investors can locate information about the Company, directors, senior executives and the Company's governance.

Information is conveyed to Shareholders via the annual report, quarterly reports and other announcements which are delivered to the Australian Securities Exchange and posted under the Investor Centre section on the Company's website.

#### *Investor relations*

Due to the size of the Company and its current stage of development the Company does not have a formally appointed investor relations manager.

The Company instead provides the opportunity for investors to engage with the Board and management at the Company's AGM. Security holders and other financial market participants are also able to contact the Company directly to discuss any matters of concern or interest they may have from time to time.

The Board has adopted a policy to promote effective communication with shareholders. A copy of the policy is available from the Company's website.

#### *Participation at meetings of Security holders*

Shareholders are encouraged to participate and engage with the Board and Management at Annual General Meetings and other specially convened General Meetings of the Company. The Board encourages the attendance and participation of Shareholders at these meetings by holding meetings in a location and time accessible to a large number of Shareholders.

The Company has policies and procedures that enable Shareholders to receive reports and participate in meetings via attendance or by written communication.

#### *Substantive resolutions decided by Poll*

All substantive resolutions at meetings of security holders are decided by poll rather than by a show of hands.

#### *Electronic Communications*

The Company aims to promote effective communication with investors. Shareholders with access to the internet are encouraged to register on the Company's website ([www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)) to receive email notifications when an announcement is made by the Company to the ASX. Shareholders are also encouraged to register with the Company's share registry (Computershare) to communicate electronically.

# Corporate Governance Statement

---

## Principle 7: Recognise and manage risk

### *Risk Committee*

The Board acknowledges recognising and managing risk is a crucial part of the role of the Board and Management. The Board is responsible for satisfying itself annually, or more frequently as required, that Management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit Committee and is reviewed by the full Board.

### *Annual Risk Review*

The Board has adopted a Risk Management Policy, which sets out the Company's approach to risk.

The Audit Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Audit Committee monitors the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance, strategic and emerging risks to ensure due regard for the risk appetite set by the Board.

The Audit Committee recommends any actions it deems appropriate to the Board for its consideration. Details pertaining to the Committee's membership and attendance at meeting is disclosed in the Directors Report contained within the Annual Report.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system and has to report to the Audit Committee on the effectiveness of:

- the risk management and internal control system during the year, and
- the Company's management of its material business risks.

A review of the risk management framework was undertaken in the reporting period. A copy of the Company's Risk Management Policy is available on the Corporate Governance page of the Company's website.

### *Internal Audit*

The Company does not have a separate internal audit function. The Board periodically reviews the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

Management periodically undertakes a review of the Company's financial systems, documentation and processes and any recommendations for improvement are reported to the Audit Committee and Board as part of the Company's risk management processes. The Board also considers reviews of specific areas and monitors the implementation of system improvements.

### *Exposure to material economic, environmental and social sustainability risk*

In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board has oversight of risk management and meet regularly to review and assess risks. The Company currently does not have any material exposure to economic, environmental or social sustainability risks.

The Company has an established suite of corporate governance charters and policies in place which apply to the Board and business practice. Copies of these policies and charters are available on the



# Corporate Governance Statement

---

Company's website. In addition, the Company has in place specific policies and procedures to prevent bribery and corruption and manage the giving and receiving of gifts and entertainment.

## **Principle 8: Remunerate fairly and responsibly**

### *Remuneration Committee*

The Board has not established a Remuneration Committee and therefore has not complied with recommendation 8.1.

In considering the current size and scale of the Company and its operations, a separate Remuneration Committee was not considered to add any efficiency to the process of determining the levels of remuneration for directors and key executives. The Board considers it is more appropriate to set aside time at a Board meeting each year to specifically address matters that would ordinarily fall to a remuneration committee including setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirement, especially with regard to related party transactions. That is, none of the Directors participate in any discussions or deliberations regarding their own remuneration or related issues.

A copy of the Remuneration Policy is available on the Corporate Governance page of the Company's website.

### *Disclosure of remuneration policies and practices*

The Board seeks to ensure that proper controls apply in the remuneration of Directors, management and employees. In doing so, the Board reviews and approves remuneration for Directors, senior managers and executives and reviews approved remuneration policies and practices, company incentive schemes and superannuation arrangements. The Board considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people.

Every employee of the Company signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. The Company's human resources structure is reviewed by the Board and, where necessary, is revised to accommodate the change in the Company's needs and requirements.

Further information on Directors' and Executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading 'Remuneration Report'. The Company has a policy to distinguish the remuneration of Executives and senior staff from that of the Non-Executive Directors. All Executives and senior staff are subject to annual reviews, where the remuneration arrangements are reviewed and benchmarked against industry averages. The Company additionally uses the Employee Share Option Plan to provide incentives to employees, which are reviewed annually in conjunction with the available option pool. The Non-Executive Directors remuneration is set from a pool that is approved by Shareholders, which presently is set at \$400,000 per annum. In proposing the maximum amount for consideration by shareholders, and in determining allocation, the Board takes account of the time demands made on Directors and factors as fees paid to Non-Executive Directors in comparable Australian companies. The Company has a policy of obtaining Shareholder approval for any share-based remuneration (such as options) to be granted to Directors in accordance with the ASX Listing Rules.

## Corporate Governance Statement

---

Details of the remuneration policies and framework of the Company and the remuneration paid to Directors and management are set out in the Remuneration Report of the Directors' Report contained within the Company's Annual Report. Shareholders will be invited to consider and approve the Remuneration Report at the 2021 AGM.

There are no schemes for retirement benefits for Non-executive Directors.

### *Equity based remuneration scheme policy*

The Company has an Employee Share Option Plan (ESOP) which was last approved by Shareholders at the 2020 AGM. A copy of which is available on the Company's website.

The Company has a Securities Trading Policy which applies to all Directors, employees, contractors and consultants of Musgrave. This policy provides a brief summary of the law on insider trading and other relevant laws and establishes a best practice procedure relating to dealing in securities that provides protection to both Musgrave and its personnel against the misuse of unpublished information which could materially affect the value of the Company's securities.

The Company's Securities Trading Policy prohibits Directors, officers, consultants or contractors from entering into transactions or arrangements that would limit the economic risk of their security holding in the Company.

A copy of the Company's Securities Trading Policy is available on the Corporate Governance page of the Company's website.