

Introduction

The Company is committed to implementing sound standards of corporate governance. In determining what those standards are, the Company has, for the financial reporting period ending 30 June 2021, had regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – Fourth Edition ("Recommendations"). The Company will be reporting against these Recommendations for its current financial year, which commenced on 1 July 2020.

Further information about the Company's corporate governance practices is set out on the Company's website at www.ausquest.com.au In accordance with the Recommendations, information published on the Company's website includes charters (for the Board and its sub-committees), the Company's Code of Conduct and other policies and procedures relating to the Board and its responsibilities.

ASX Recommendation	Comply (Yes/No)	Explanation
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
<p>Recommendation 1.1: A listed entity should have and 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 roles and responsibilities of the Board compared with those delegated to management are reflective of the Recommendations.</p> <p>The respective roles of the Board and senior management are summarised in the Company's Board Charter which is available on the Company's website. The Board charter also contains summaries of the responsibilities of the Board, Chair, Lead Independent Director, Managing Director, Non-Executive, Independent Directors as well as Senior Management.</p> <p>The Board has established functions that are reserved for the Board, as separate from those functions discharged by the Managing Director and are also summarised in the Company's Board Charter which is available on the Company's website.</p>
<p>Recommendation 1.2: A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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>The Company undertakes appropriate checks before appointing or re-appointing a person and when putting forward a candidate for election as a Director. No board appointment was made during, or subsequent to, the financial year ended 30 June 2021.</p> <p>A copy of Policy and Procedure for Selection and Re-appointment of Directors is available on the Company's website, and is in line with the Recommendations.</p>
<p>Recommendation 1.3: 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 has entered into letters of appointment with directors and senior executives. These contracts ensure that directors and senior executives have a clear understanding of their roles and responsibilities and of the entity's expectations of them.</p>

ASX Recommendation	Comply (Yes/No)	Explanation
<p>Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the functioning of the board.</p>	Yes	<p>The Company Secretary is appointed and removed by, and is accountable directly to, the Board.</p> <p>The Company Secretary has access to all Board members and the main functions of the role are to assist in advising the Board on governance matters and monitoring compliance with board and committee procedures. The role of the Company Secretary is further summarised in the Company’s Board Charter, which is available on the Company’s website and are reflective of the Recommendations.</p>
<p>Recommendation 1.5: A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p>	No	<p>The Company’s Diversity Policy is set out on the Company’s website.</p> <p>Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.</p> <p>The Company’s Diversity Policy does not include measureable objectives as the Board believes that the Company will not be able to successfully meet these given the current size and stage of development of the Company. If the Company’s activities increase in size, nature and scope in the future, then appropriate measureable objectives will be set and put into place.</p> <p>Notwithstanding the above, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company’s Diversity Policy.</p> <p>During the 2021 financial year, the Company had a total of 1 female employee out of a total of 9 employees and contractors (2020 financial year : 1 female employee out of a total of 9), however the Company had no women in senior executive positions or on the Board. A senior executive is defined by the Company as a member of the senior management team as distinct from the Board, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.</p> <p>The Company is a not a ‘relevant employer’ under the <i>Workplace Gender Equality Act 2012</i>.</p>

AusQuest Limited
Corporate Governance Statement

ASX Recommendation	Comply (Yes/No)	Explanation
<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>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) 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>		

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<p>(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>		
<p>Recommendation 1.6: 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>	<p>Yes</p>	<p>The Company has adopted policies and procedures concerning the evaluation and development of the Board, Board Committees and individual directors. This responsibility is allocated to the Board (in its capacity as the Nomination Committee) and the Nomination Committee Charter is available on the Company’s website.</p> <p>Procedures include an internal Board performance assessment, an induction protocol and ongoing discussions with regard to the performance of the Board and its directors. The Company’s “Process for Performance Evaluation” is available on the Company’s website.</p> <p>During the 2021 financial year, an internal Board performance assessment has been performed and assessed in accordance with the Company’s Process for Performance Evaluation. No material weaknesses were identified and no governance changes were deemed necessary.</p>

ASX Recommendation	Comply (Yes/No)	Explanation
<p>Recommendation 1.7: A listed entity should:</p> <p>(a) have and disclose a process for 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 Nomination Committee is charged with periodic review of the job description and performance of the Managing Director.</p> <p>The Company's website contains a section formally setting out the Company's "Process for Performance Evaluation".</p> <p>The Managing Director was the subject of informal evaluations against both individual performance and overall business measures. These evaluations were undertaken progressively and periodically throughout the year.</p>
PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE		
<p>Recommendation 2.1: The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors, and 2) is chaired by an independent director, <p>and disclose:</p> <ol style="list-style-type: none"> 3) the charter of the committee; 4) the members of the committee; and 	No	<p>The full Board currently performs the function of the Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.</p> <p>The Board, and therefore the Nomination Committee, comprises 3 members of which only 1 is independent. It is also chaired by the independent director, being Mr Hancock. One meeting of the Board in its capacity as the Nomination Committee was held during the year, which was attended by Messrs Hancock, Drew and Ellis (full Board). The Board has adopted a Nomination Committee charter to assist it to fulfil its function as the Nomination Committee and this is available on the Company's website.</p> <p>The Company's objective is to have an appropriate mix of expertise and experience on the Board, and where appropriate its committees, so that the Board can effectively discharge its corporate governance and oversight responsibilities</p>

ASX Recommendation	Comply (Yes/No)	Explanation
<p>5) as at the end of the 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>Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The Company recognises the importance of having an appropriate mix of expertise and experience on its Board and Committees to enable it to effectively discharge its corporate governance and oversight responsibilities. The Board accordingly seeks to achieve a balance in its structure that best reflects the needs of the Company at any particular time.</p> <p>Appointment to the Board will be dependent on candidates demonstrating an appropriate breadth of experience in a field of expertise that is relevant to the ongoing supervision of the Company's affairs. This diversity of experience may include a commercial, technical, legal, corporate finance, business development or other background as the Board and management determine as part of its selection processes.</p> <p>Geographically the mix of skills extends to the international market, with a higher focus placed on operational and technical experience throughout Peruvian and Australian markets.</p> <p>The current Board composition addresses these desired skills, with further and full details of each director's skills and experience noted in the Directors' Report of the Company's 2021 Annual Report.</p>

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		<p>The Board continues to assess and monitor this evaluation.</p> <p>The policy and process for the nomination, selection and appointment of new directors is available on the Company's website.</p>																				
<p>Recommendation 2.3: A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation 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 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>Yes</p>	<p>The names and terms of office of each director, and their status as executive/non-executive and independent/non-independent directors, during the year ended 30 June 2021 and up to the date of this statement, were as follows:</p> <table border="1" data-bbox="792 592 2027 975"> <thead> <tr> <th data-bbox="792 592 1019 759">Director</th> <th data-bbox="1019 592 1424 759">Status</th> <th data-bbox="1424 592 1650 759">Date of appointment</th> <th data-bbox="1650 592 1865 759">Date of resignation</th> <th data-bbox="1865 592 2027 759">Length of service at September 2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="792 759 1019 831">Greg Hancock</td> <td data-bbox="1019 759 1424 831">Non-Executive/independent</td> <td data-bbox="1424 759 1650 831">September 2003</td> <td data-bbox="1650 759 1865 831">N/A</td> <td data-bbox="1865 759 2027 831">18 years</td> </tr> <tr> <td data-bbox="792 831 1019 903">Graeme Drew</td> <td data-bbox="1019 831 1424 903">Executive/non-independent</td> <td data-bbox="1424 831 1650 903">February 2000</td> <td data-bbox="1650 831 1865 903">N/A</td> <td data-bbox="1865 831 2027 903">21 years</td> </tr> <tr> <td data-bbox="792 903 1019 975">Chris Ellis</td> <td data-bbox="1019 903 1424 975">Non-Executive Director/ non-independent</td> <td data-bbox="1424 903 1650 975">November 2006</td> <td data-bbox="1650 903 1865 975">N/A</td> <td data-bbox="1865 903 2027 975">14 years</td> </tr> </tbody> </table> <p>The Company has accepted the definition of "independence" in the Recommendations in making the above assessments of independence. In making the independence assessment Mr Graeme Drew and Mr Chris Ellis are deemed as being non-independent as they are substantial security holders of the Company and/or act in an executive capacity with the Company. Mr Greg Hancock is considered independent.</p> <p>The Company entered into a 12 month corporate consulting agreement with Mr Hancock covering the period commencing from 1 July 2020 (subsequently renewed for a further 12 months to 30 June 2022). Under the terms of the agreement Mr Hancock can receive up to \$48,000 payable over 12 equal monthly payments for these services. Both the Board and Mr Hancock consider this agreement not to be material to them based on its nature and monetary value.</p> <p>No other current director has an interest, position, association or relationship of the type described in Box 2.3 of the Recommendations that is considered to compromise independence. Each director's independence status is regularly assessed against Box 2.3.</p>	Director	Status	Date of appointment	Date of resignation	Length of service at September 2021	Greg Hancock	Non-Executive/independent	September 2003	N/A	18 years	Graeme Drew	Executive/non-independent	February 2000	N/A	21 years	Chris Ellis	Non-Executive Director/ non-independent	November 2006	N/A	14 years
Director	Status	Date of appointment	Date of resignation	Length of service at September 2021																		
Greg Hancock	Non-Executive/independent	September 2003	N/A	18 years																		
Graeme Drew	Executive/non-independent	February 2000	N/A	21 years																		
Chris Ellis	Non-Executive Director/ non-independent	November 2006	N/A	14 years																		

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Recommendation 2.4: A majority of the board of a listed entity should be independent directors.	No	<p>The Company did not have a majority of independent directors during the year. As at 30 June 2021, and the date of this statement, one out of the three directors, Mr Hancock, is independent. The remaining directors have been deemed non-independent on the following bases - Mr Drew is involved in the day to day running of the Company and Mr Ellis is a substantial shareholder of the Company.</p> <p>Whilst this is not in accordance with the Recommendation, the Board considers that its current composition is the most appropriate blend of skills and expertise relevant to the Company's business, size and operations. The Board is aware of the importance of independent judgement and considers independence, amongst other things, when new appointments to the Board are made.</p>
Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Mr Hancock, the Chairman of the Company is an independent, non-executive director. The role of the Managing Director and CEO is filled by Mr Drew, hence the Company complies with this Recommendation.
Recommendation 2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Board is responsible for Board member induction, and ongoing education and development. The Company's Policy on Independent Professional Advice empowers a director to undertake training or take independent professional advice at the expense of the Company.
Recommendation 3.1: A listed entity should articulate and disclose its values.	Yes	<p>The main objective of the Company is to maintain and build the Company's capacity to generate value for shareholders.</p> <p>In addition to overseeing the performance and operations of the Company, the Board is responsible for setting the core values of the Company. These values underpin the Company's culture and ethical standards and inform the behaviours and decision making of all Company employees. The Directors acknowledge the need for, and continued maintenance of, the highest standards of ethical conduct by all Directors and employees of the Company. All Directors, executives and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information and act with the highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Company, customers, suppliers and the community.</p> <p>The Company's statement of values is available on its website.</p>

ASX Recommendation	Comply (Yes/No)	Explanation
PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY		
<p>Recommendation 3.2: A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Yes	<p>The board has adopted a Code of Code which requires Directors, management and employees to deal with the Company's customers, suppliers, competitors and each other with honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates. The Code prohibits Directors, management and employees from involving themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company.</p> <p>Directors, management and employees are required to respect the confidentiality of all information of a confidential nature acquired in the course of the Company's business. Directors, management and employees must protect the assets of the Company to ensure availability for legitimate business purposes. The Company acknowledges its responsibility to shareholders, the community, and the individual. No breaches of the code were reported during the year under review. A copy of the Code of Conduct is available in the Corporate Governance section of the Company's website.</p>
<p>Recommendation 3.3: A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company has adopted a Whistleblower Policy outlining the Company's commitment to maintaining an open working environment in which employees and contractors are informed and feel safe to raise concerns of unethical, unlawful or unacceptable conduct without fear of any retaliatory action.</p> <p>The Company confirms that any material incidents under this Policy will be notified to the Board or a committee of the Board, as the case might be.</p> <p>A copy of the Whistleblower Policy is available in the Corporate Governance section of the Company's website.</p>
<p>Recommendation 3.4: A listed entity should:</p> <p>(a) have and disclose and anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	Yes	<p>The Company expects that its directors, officers, employees, agents, contractors and any other party representing the Company, will act fairly, honestly, with integrity and in compliance with the law. The Company has zero tolerance for corruption or bribery in its business operations wherever in the world.</p> <p>The Company has adopted an Anti-bribery and Corruption Policy which set out the Company's responsibilities, and those working for it, in observing and upholding its policy on bribery and corruption. The policy provides guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.</p> <p>The Company confirms that any material incidents under this Policy will be notified to the Board or a committee of the Board, as the case might be.</p>

ASX Recommendation	Comply (Yes/No)	Explanation
PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS		
<p>Recommendation 4.1: The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	No	<p>The Board has established a separate Audit Committee comprising two non-executive directors, being Mr. Hancock and Mr Ellis, and one executive director, Mr Drew (the Managing Director). Only Mr Hancock is independent. It is noted that all Audit Committee members have industry experience.</p> <p>The Chair of the Audit Committee is Mr Chris Ellis, who is not independent but is not the Chair of the Board. The Company does not meet the recommendation of the Audit Committee having a majority of independent directors, nor is the Chair of the Committee an independent director. However, whilst this is not in accordance with the Recommendation, the Board considers that its current composition is the most appropriate blend of skills and expertise relevant to the Company's business, size and operations. The Board is aware of the importance of independent judgement and considers independence, amongst other things, when new appointments to the Board are made.</p> <p>Details regarding the directors' qualifications and experience are contained in the Director's Report of the Company's 2021 Annual Report, with the Committee deemed to be structured so that it has the relevant accounting and financial expertise required to discharge its responsibilities.</p> <p>The Committee met once during the year and was attended by Messrs Hancock, Drew and Ellis (full Board).</p> <p>A copy of the Company's Audit Committee Charter is available on the Company's website.</p>

AusQuest Limited
Corporate Governance Statement

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<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>Recommendation 4.2: 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>	<p>Yes</p>	<p>In respect of each statutory financial reporting period, the Board was provided with a declaration in accordance with S.295A of the <i>Corporations Act</i> which is consistent with Recommendation 4.2. The Company complied with this recommendation.</p>

Recommendation	Comply (Yes/No)	Explanation
<p>Recommendation 4.3: 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>	<p>Yes</p>	<p>The Company is committed to providing clear, concise and factual disclosure of material information to all investors in its corporate reports. The Company has adopted a process for the preparation, verification and approval of corporate reports to confirm the accuracy of those reports. Information published in the Company's periodic cashflow reports (Appendix 5B's) is prepared by the Company's external accountants. Where information is not subject to an audit, it is verified by Senior Management and approved by the Board prior to release to the market. (This remains the case also for externally audited information).</p> <p>All announcements indicate the relevant approver of releases.</p>
<p>PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE</p>		
<p>Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>Yes</p>	<p>The Company has a Continuous Disclosure and Communications Policy that sets out:</p> <ul style="list-style-type: none"> • the Company's continuous disclosure obligations under the ASX Listing Rules and Corporations Act; • how the Company's personnel are required to deal with potentially price sensitive information and communications with external stakeholders such as media, security holders and the community to ensure that the Company meets its continuous disclosure obligations; and • the Company's shareholder communication policy generally. <p>A copy of the Continuous Disclosure and Communications Policy is available in the Corporate Governance section of the Company's website.</p>
<p>Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Yes</p>	<p>The Board is involved in the review and authorisation of material Company announcements and therefore has visibility of the nature, quality and frequency of information being disclosed to the market. Where the Directors' input is not feasible prior to the release of an announcement, all Directors are provided with copies of the material market announcement promptly after they are made.</p>
<p>Recommendation 5.3: A listed entity that gives a 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>	<p>Yes</p>	<p>Materials used in external investor or analyst presentations which are substantive in nature and which have not been previously disclosed are released to the ASX prior to their use.</p>

Recommendation	Comply (Yes/No)	Explanation
PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS		
<p>Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>The Company’s website contains a separate section titled “Corporate Governance” which contains all key Corporate Governance documents including the Board and committee charters, Code of Conduct and other policies and procedures. The website also provides:</p> <ul style="list-style-type: none"> - an overview of the entity’s current projects; - copies of its annual reports and financial statements; - copies of its announcements to ASX.
<p>Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Yes	<p>The Company has a Shareholder Communications Policy which is publicly available on the Company’s website, including the effective use of electronic communications.</p>
<p>Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders</p>	Yes	<p>The Board encourages the attendance of shareholders at the Company’s Shareholders’ Meetings and sets the time and place of each Shareholders’ Meeting in advance to allow maximum opportunity for attendance by shareholders.</p> <p>The Company provides information in the notice of meeting that is presented in a clear, concise and effective manner. Shareholders are provided the opportunity at general meetings to ask questions in relation to each resolution before they are put to the vote and discussion is encouraged by the Board.</p> <p>Where and when deemed appropriate, the Company will facilitate virtual general meetings to enable as many shareholders as possible to attend the meeting.</p>
<p>Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	<p>It is the Board preference that all substantive resolutions at a meeting of security holders are decided by poll rather than show of hands.</p> <p>At the Company’s 2020 Annual General Meeting, all resolutions were decided on a poll.</p>

Recommendation	Comply (Yes/No)	Explanation
<p>Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them.</p> <p>The Company's share registry is maintained electronically by Advanced Share Registry. Their contact details are disclosed in the Corporate Directory of the 2021 Annual Report.</p>
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
<p>Recommendation 7.1: The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	No	<p>Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Risk Committee. The full Board performs the function of the Risk Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate risk committee.</p> <p>The Board, and therefore the Risk Committee, comprises 3 members of which 1 is independent. It is also chaired by an independent director.</p> <p>The Board is responsible for ensuring that risks, as well as opportunities, are identified on a timely basis and receive an appropriate and measured response, recognising however that no cost effective internal control system will preclude all errors and irregularities. Areas of significant business risk and the effectiveness of internal controls are monitored and reviewed regularly.</p> <p>The Board met 5 times during the year and was on all occasions attended by Messrs Hancock, Drew and Ellis (full Board).</p>

Recommendation	Comply (Yes/No)	Explanation
<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>		
<p>Recommendation 7.2: 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 Board reviews, at least annually, the Company's risk management framework.</p> <p>The risks identified are monitored on a continual basis and preventative measures are implemented as and when deemed necessary.</p> <p>The Company's risk management framework has been reviewed continually during the financial year ended 30 June 2021 and the Board is satisfied that the risk management framework continues to be sound.</p> <p>The Company will continue its risk management framework development and monitoring procedures.</p>
<p>Recommendation 7.3: 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>	Yes	<p>The Company does not currently have an internal audit function. The Board recognises that no cost effective internal control system will preclude all errors and irregularities. The Company's risk management and internal control system is based upon written procedures, policies and guidelines, an organisational structure that provides an appropriate division of responsibility, and the selection and training of qualified service providers and personnel.</p> <p>The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.</p> <p>A number of the Company's activities are also undertaken by external consultants, given the Company's size and level of current activities, coupled with the cost benefit this currently provides the Company.</p>

Recommendation	Comply (Yes/No)	Explanation
(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 governance, risk management and internal control processes.		
Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Company has assessed its exposure to economic risks as high on the basis that it has no material income and is reliant on the potential exploration success to raise capital to fund exploration and operating costs. This risk is managed by regularly reviewing future cashflow requirements to ensure that fundraising is performed in a timely manner and that the Company remains in a position to pay its debts as and when they fall due. The Company has no material exposure to environmental or sustainability risks.</p> <p>The Company's corporate ethics includes a strong focus on environmental responsibility. This approach is integral to ensuring the long-term sustainability of the Company's mining and exploration operations. An Environmental Policy has been established to ensure that its field operations comply with permits and licenses, and have minimal impact on the surrounding environments. A copy of this policy is available on the Company's website.</p> <p>A copy of the Company's policies on risk oversight and management of material business risks is publicly available under the heading Risk Management Policy.</p>
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
<p>Recommendation 8.1: The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p>	No	<p>The Board has established a Remuneration Committee comprising two non-executive directors, being Mr. Hancock and Mr Ellis, and one executive director, Mr Drew. Only Mr Hancock is independent, and acts as the chair of the Committee.</p> <p>The Company does not meet the recommendation of the Remuneration Committee having a majority of independent directors. Whilst this is not in accordance with the Recommendation, the Board considers that its current composition is the most appropriate blend of skills and expertise relevant to the Company's business, size and operations. The Board is aware of the importance of independent judgement and considers independence, amongst other things, when new appointments to the Board are made.</p> <p>The Committee met once during the year which was attended by Messrs Hancock, Drew and Ellis (full Board).</p>

AusQuest Limited
Corporate Governance Statement

Recommendation	Comply (Yes/No)	Explanation
<p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>		<p>The Remuneration Committee Charter is publicly available on the Company's website.</p>
<p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		

Recommendation	Comply (Yes/No)	Explanation
<p>Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The structure of non-executive remuneration is clearly distinguishable from that of executive directors and senior executives. The Board’s policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation where appropriate). During the financial year ending 30 June 2021 the non-executive directors waived all entitlements to their directors’ fees. The non-executive directors further agreed to indefinitely waive all director fees in order to help reserve the Company’s cash funds.</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p> <p>The level of remuneration packages and policies applicable to directors are detailed in the Remuneration Report which forms part of the Directors’ Report to the 2021 Annual Report.</p>
<p>Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:</p>	Yes	<p>The Company has an equity-based remuneration scheme and also a Policy for Trading in Company Securities which are publicly available on the Company’s website. Under the policy directors, officers and employees are prohibited from entering into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair.</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>		<p>Executives are also prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.</p>

Recommendation	Comply (Yes/No)	Explanation
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES		
<p>Recommendation 9.1: 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>	Not applicable	The Company has three directors of whom are all fluent in English.
<p>Recommendation 9.2: A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	Not applicable	The Company is registered in Australia and is only listed on the Australian Stock Exchange.
<p>Recommendation 9.3: 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>	Not applicable	The Company is registered in Australia and is only listed on the Australian Stock Exchange. The Company's auditor attends all AGM's.