

Fitzroy River Corporation Ltd (ACN 075 760 655) (“Company”)

CORPORATE GOVERNANCE STATEMENT

Fitzroy River Corporation Ltd (**FZR** or **Company**) is committed to conducting its business activities and governing the company in accordance with the ASX Corporate Governance Council’s (**Council**) Corporate Governance Principles and Recommendations (**Recommendations**) to the extent appropriate to the size and nature of the Company’s operations. This Corporate Governance Statement (**Statement**), provided pursuant to ASX Listing Rule 4.10.3, details the extent to which the Company has followed the ASX Council’s Recommendations across the 2022 Financial Year (**FY2022**) and up to the date of approval of this Statement.

The Company’s corporate governance practices are structured with reference to the fourth edition of the Recommendations including the 8 principles and 35 specific recommendations included therein.

While listed entities are entitled not to adopt the Recommendations in whole or in part, the ASX requires that an entity explain why it has not adopted any particular recommendation on an “if not, why not” basis. The table set out below identifies which Recommendations the Company follows and which it does not and provides reasons for not following those Recommendations as well as alternate governance practices (if any) the Company intends to adopt, or has adopted, instead of those Recommendations.

The Company’s corporate governance policies together with a copy of this Statement are all available on the Corporate Governance tab of the Company’s website at www.fitzroyriver.net.au (**Website**). This Statement was approved by a resolution of the Board of the Company dated 22 September 2022 and is effective as at the same date and is in addition to and supplements the Company’s Appendix 4G and Annual Report to Shareholders, both of which are lodged with the ASX together with this Statement.

All corporate governance policies have been adopted by the Company. All references to “the **Board**” below are references to the board of the Company. All references to “**Shareholders**” below are references to shareholders of the Company.

| | <u>Principle 1:</u> Lay Solid Foundations for Management and Oversight | A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance. |
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| | <u>Recommendations</u> | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | (a) There was no formalisation and disclosure of separate functions between the Board and management during the reporting period given that the Company only has 3 Directors, no executives and no management. As a result and given the size of the Company, the Board undertakes all roles normally delegated to management. (b) The Board leads and oversees the management and direction of the Company. The Company’s Constitution (Rule 9.1) provides (in a manner similar to most listed |

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| | | <p>companies), subject to the Corporations Act, the ASX Listing Rules and the Constitution, the business of the Company shall be managed by, or under the direction of, the Directors. Each of the Company's 3 Directors puts in considerable personal effort in running the Company well and efficiently, in working on seeking out appropriate various corporate transactions and initiatives and overseeing the strategic direction of the Company.</p> <p>Given the above, any further formalisation of separate functions is deemed by the Board, at this stage, to not be possible given the Company does not have a management or executive team to delegate to, and also to be unnecessary given the Company's stage and nature of business activities.</p> <p>Specifically, the Board:</p> <ul style="list-style-type: none"> ▪ defines and sets its strategic and business objectives and subsequently monitors performance and achievements of those objectives; ▪ oversees the reporting on matters of compliance with corporate policies and laws, takes responsibility for risk management processes and periodically reviews the needs for any executive management to complement the Board skill set and status of operations of the Company; ▪ monitors and approves financial performance and budgets; ▪ reports to shareholders; and ▪ periodically reviews the processes and procedures of its oversight function. |
| 1.2 | <p>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 securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>(a) Prior to the nomination of prospective non-executive directors for election or re-election, the Board aims to obtain from the prospective candidate:</p> <ul style="list-style-type: none"> ▪ details of other commitments of the prospective candidate and an indication of the time involved; and ▪ an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company. <p>Appropriate background checks including, as a minimum, police and solvency checks, are undertaken prior to the appointment or</p> |

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| | | <p>election of any new directors and officers to the Board.</p> <p>(b) When a candidate is placed before shareholders for election or re-election as a director, the names of candidates submitted is accompanied by, or a cross reference to, the following information to enable shareholders to make an informed decision in relation to that vote:</p> <ul style="list-style-type: none"> ▪ biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate; ▪ details of any relationships that exist between the candidate and the Company or between the candidate and any director of the company; ▪ Other directorships held; ▪ particulars of other positions which involve significant time commitments or actual or potential conflicts; ▪ the term of office currently served by any directors subject to election or re-election; ▪ Whether the existing Board members support the election or re-election of that person as a director; and ▪ any other particulars required by law. |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | The Company has a written agreement with each of its directors setting out the terms of their appointment. |
| 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 proper functioning of the board. | The Secretary is accountable to the Board through the Chairman on all governance matters and on all matters to do with the proper functioning of the Board. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes, procedures and policies run efficiently and effectively. |
| 1.5 | A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (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 | (a) While the Company has only 3 directors, a company secretary and no employees, the Board nevertheless has implemented and maintains a Diversity Policy in line with the ASX's 4 th edition Corporate Governance guidelines. The Board believes in the promotion of diversity and that seeking diversity on all levels generally is good practice. |

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| | <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> <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>A copy of the Company's Diversity Policy is available on the Company's website and a summary is included in this Corporate Governance Statement.</p> <p>(b) Given the Company has a board of 3 directors, a company secretary and no employees, the Board does not consider it appropriate at this time to "...set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally..." but has adopted a broad based approach as to what its principles and practices are as outlined herein and this will be revisited with consideration of any specific measures to be implemented in the event of any employee appointments in future within the Company.</p> <p>(c) As noted in the response to (b) above, while the Company does not currently have any employees, at the appropriate time the Board will ensure the principles under the Diversity Policy are implemented in seeking to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes, but is not limited to such factors as religion, ethnicity, culture, language, gender, disability and age.</p> <p>The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:</p> <p><i>Measurable Objective:</i> Adoption and promotion of a Formal Diversity Policy.</p> <p><i>Objective Satisfied:</i> Yes</p> <p><i>Comment:</i> The Company has adopted a formal diversity policy which has been made publicly available via the Company's website at http://fitzroyriver.net.au</p> |
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| | | <p>Measurable Objective: To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy.</p> <p>Objective Satisfied: Yes</p> <p>Comment: The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.</p> <p>Measurable Objective: To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of employees.</p> <p>Objective Satisfied: Yes</p> <p>Comment: The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.</p> <p>Measurable Objective: To implement clear and transparent policies governing reward and recognition practices.</p> <p>Objective Satisfied: Yes</p> <p>Comment: The Company will grant reward and promotion based solely on merit and responsibility as part of any annual and ongoing review processes.</p> <p>(i) The Company, in keeping with the Recommendations provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2022:</p> <table border="1" data-bbox="831 1715 1382 1823"> <thead> <tr> <th></th> <th><i>Male</i></th> <th><i>Female</i></th> <th><i>Total</i></th> <th><i>Proportion female</i></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>2</td> <td>1</td> <td>3</td> <td>33.3%</td> </tr> <tr> <td>Co Sec</td> <td>1</td> <td>0</td> <td>1</td> <td>0.00%</td> </tr> </tbody> </table> <p>(ii) The entity is not a "relevant employer".</p> | | <i>Male</i> | <i>Female</i> | <i>Total</i> | <i>Proportion female</i> | Board | 2 | 1 | 3 | 33.3% | Co Sec | 1 | 0 | 1 | 0.00% |
|--------|--|---|--------------|--------------------------|---------------|--------------|--------------------------|-------|---|---|---|-------|--------|---|---|---|-------|
| | <i>Male</i> | <i>Female</i> | <i>Total</i> | <i>Proportion female</i> | | | | | | | | | | | | | |
| Board | 2 | 1 | 3 | 33.3% | | | | | | | | | | | | | |
| Co Sec | 1 | 0 | 1 | 0.00% | | | | | | | | | | | | | |
| 1.6 | A listed entity should: (a) have and disclose a process for periodically evaluating the performance | (a) The Company does not have a formal process for periodically evaluating Board performance. Given the nature and size of the Company and its business, the Board is of the | | | | | | | | | | | | | | | |

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| | <p>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>view that there is presently an adequate and broad mix of skills and that given their experience, each of the Directors are aware of and capable of acting in the best interests of the Company's stakeholders. At all times during the year there was a majority of independent Directors. The composition of the Board is determined so as to provide the Company with a broad base of industry, business, technical, administrative, financial, corporate and legal skills and experience considered necessary to represent stakeholders and fulfil the business objectives of the Company. Directors are expected to bring independent views and judgement to the Board's deliberations.</p> <p>(b) There was no formal board performance evaluation conducted during the period however an informal evaluation determined that the current Board was appropriate, particularly considering the appointment of Cameron Manifold during the previous reporting period.</p> |
| 1.7 | <p>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> | <p>(a) and (b) The Company does not currently have a formal process for evaluating the performance of senior executives as there are no senior executives employed at this time. A process will be implemented if, and when, a senior executive is employed by the Company.</p> |
| | <p>Principle 2: Structure the Board to be effective and add value</p> | <p>The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively, and to add value.</p> |
| | <p>Recommendations</p> | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee 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>(a) The Board, as a whole, currently serves as the Company's Nomination Committee. As the Company grows it is planned that the Company may implement a separate Nomination Committee with its own separate Nomination Committee charter, if required.</p> <p>(b) While the Board does not currently comply with this recommendation, given the stage of the Company's operations, the Board is of the</p> |

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| | <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; <u>OR</u></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>view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:</p> <ul style="list-style-type: none"> ▪ accounting; ▪ finance; ▪ business; ▪ the Company's industry; ▪ Board-level experience; ▪ Corporate and legal; and ▪ relevant technical expertise. <p>The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.</p> <p>In undertaking such a review, the Board will determine the procedure for the selection and appointment of new Directors and the re-election of incumbents in accordance with the Corporations Act, the ASX Listing Rules, Company's Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including those outlined in sections 1.6 and 2.1 of this corporate governance statement.</p> |
| 2.2 | <p>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>The Company complies with this recommendation.</p> <p>The Company's board skills matrix is disclosed in the Company's annual report and on the Company's website which contains the biography of each director.</p> |
| 2.3 | <p>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 or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the</p> | <p>(a) The Board considers the Company's Non-Executive Chairman, Mr Malcolm McComas, and Non-Executive Director, Mr Cameron Manifold to be independent.</p> <p>(b) Not applicable. Ms Susan Thomas is a substantial shareholder in the Company,</p> |

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| | <p>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>holding just under 24% of the shares on issue, and the Board does not consider Ms Thomas to be independent.</p> <p>(c) Both Ms Thomas and Mr McComas were appointed to the Board on 26 November 2012 and Mr Manifold was appointed on 14 April 2021.</p> |
| 2.4 | <p>A majority of the board of a listed entity should be independent directors.</p> | <p>The Board has 3 directors, 2 of whom are independent being Mr McComas and Mr Manifold. The Board considers that an independent Director is one who:</p> <ul style="list-style-type: none"> ▪ does not have an executive position; ▪ is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company; ▪ has not within the last 3 years, been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment; ▪ has not within the last 3 years, been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; ▪ is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; ▪ has no material contractual relationship with the Company or another group member other than as a Director; and ▪ is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company. <p>The Board is satisfied that Mr McComas and Mr Manifold do not hold any such positions outlined above that affect, or would be likely to affect, their independence as a director.</p> |
| 2.5 | <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>The Chairman of the Board is Mr McComas who is an independent director. The Board does not have a CEO or equivalent.</p> |
| 2.6 | <p>A listed entity should have a program for inducting new directors and for periodically</p> | <p>The Board has an appropriate and yet informal induction and education process for new</p> |

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| | <p>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.</p> | <p>Board appointees to enable them to gain a better understanding of:</p> <ul style="list-style-type: none"> ▪ the Company's financial, strategic, operational and risk management position; and ▪ the rights, duties and responsibilities of the directors. ▪ As part of the induction and education process new Directors are: ▪ provided with all Board materials for the previous 12-month period including access to all Board and Shareholder Minutes as well as a copy of the Company's Constitution, corporate governance policies and corporate insurance policies; ▪ Invited to meet with the Company's auditors, accountants, bankers, material service providers and a representative from the Company's royalty partners. |
| | <p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p> | <p>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</p> |
| | <p>Recommendations</p> | |
| 3.1 | <p>A listed entity should articulate and disclose its values.</p> | <p>FZR's statement of Values is clearly displayed on the 'Corporate Governance' page of the Company's website and states:</p> <p><i>"Fitzroy River Corporation Limited is committed to building respectful, inclusive relationships with its stakeholders and royalty partners. The Company strives to conduct its business in the most ethical, socially responsible, sustainable and transparent manner possible, at all times acting with integrity and respect for all of its stakeholders and royalty partners."</i></p> |
| 3.2 | <p>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> | <p>(a) Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised. Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director or the interests of any other party in so far as it affects the activities of the Company, and to act in accordance with</p> |

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| | | <p>the Corporations Act if conflict cannot be removed or if it persists (this applies to material personal interests as well). That involves informing the Board of the conflict and/or the material personal interest of the Director and not taking part in the decision-making process or discussions in circumstances pertaining to that conflict or material personal interest.</p> <p>The Company has adopted a Code of Conduct that is applicable to all directors, officers and employees (when employed by the Company noting that there is nil at present) of the Company. It reflects the Company's values and provides a framework within which its entire workforce functions, including in its interaction with stakeholders. The Code of Conduct is designed to ensure an appropriate degree of integrity in the Company's dealings.</p> <p>The Company expects all directors, officers and employees of the Company to:</p> <ul style="list-style-type: none">▪ always act with honesty, integrity and fairness in accordance with the Company's Code of Conduct;▪ comply with all policies and procedures implemented by the Company; and▪ comply with all applicable laws. <p>The Code of Conduct is publicly available on the Company's website at http://fitzroyriver.net.au</p> <p>The Company encourages Directors and future employees to adopt a long-term attitude to their investment in the Company's securities. All Directors and any future employees of the Company and their associates (including spouses, children under 18, and any family trust or family companies) as well as contractors, consultants, advisors and auditors of the Company ('Designated Persons'), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the Securities Trading Policy.</p> <p>The Securities Trading Policy does not prevent any Designated Persons from participating in any share plan or share offers established or</p> |
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made by the Company. However, Directors and employees are prevented from trading in Company securities once acquired if the individual is in possession of price sensitive information which is not publicly available.

Further restrictions are placed on trading by Directors (including non-executive directors), Executive General Managers, General Managers and other key management personnel (when employed by the Company) as determined by the Chairman and Company Secretary from time to time ('Restricted Employees'). In addition to the overriding prohibition against dealing in the Company's securities when a person is in possession of price sensitive information which is not publicly available, Restricted Employees are at all times prohibited from dealing in the company's securities during prescribed 'closed' periods. The Company has nominated closed periods to be from the end of the relevant financial quarter up to the day after the release date of the applicable Quarterly, Half Yearly or Annual Report (including the Appendix 5B), unless exceptional circumstances apply. Additional closed periods may be determined by, or existing closed periods may be varied by, the Board from time to time with appropriate notice.

The Securities Trading Policy (available via the Company's website <http://fitzroyriver.net.au>) also includes a clause prohibiting Directors and employees from entering into transactions in associated products which operate to limit economic risk of security holdings in the Company over unvested entitlements.

In accordance with ASX Listing Rules, a Director must notify the ASX within 5 business days after any change in the Director's relevant interest in securities of the Company or a related body corporate of the Company.

A Director must notify the Company Secretary in writing of any requisite information within 2 business days in order for the Company Secretary to make the necessary notifications

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| | | <p>to ASIC and ASX as required by the Corporations Act and ASX Listing Rules.</p> <p>(b) The Board are informed of any material breaches of that Code.</p> |
| 3.3 | <p>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> | <p>The Company complies with this recommendation.</p> <p>(a) The Company has a whistleblower policy. A copy of the policy is disclosed on its website.</p> <p>(b) The Board are informed of any material incidents reported under the policy.</p> |
| 3.4 | <p>A listed entity should:</p> <p>(a) Have and disclose an anti-bribery and corruption policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</p> | <p>The Company complies with this recommendation.</p> <p>(a) The Company has an anti-bribery and corruption policy. A copy of the policy is disclosed on its website.</p> <p>(b) The Board are informed of any material breaches of the policy.</p> |
| | <p>Principle 4: Safeguard the integrity of corporate reports</p> | <p>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</p> |
| | <p>Recommendations</p> | |
| 4.1 | <p>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, 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> <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</p> | <p>(a) The Board does not have a separate audit committee with a composition as suggested by the Recommendations. Instead, the full Board carries out the function of an audit committee. The Board believes that the Company is not of a sufficient size to warrant a separate audit committee and that the full Board is able to meet the objectives of these Recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report contained within the Annual report to Shareholders.</p> <p>(b) The Board relies on all Board members to monitor the internal controls within the Company, having regard to the investment activities of the Company. Financial performance is monitored on a regular basis by all Board members and is assisted by an outsourced external Chief Financial Officer (CFO) who reports to the Board quarterly at Board meetings. The processes for the appointment and removal of the external</p> |

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| | auditor and the rotation of the audit engagement partner. | auditor and the rotation of the audit engagement partner are dealt with in accordance with the provisions of the Corporations Act by the Board in consultation with the current auditor and outsourced CFO function. It is noted that the Company Secretary performs the outsourced CFO function. |
| 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>The Board reviews the Company's financial statements with its external auditor before approving the statements. The Board is responsible for ensuring that appropriate processes are in place to form the basis upon which the CFO provides the recommended declarations in relation to the Company's financial statements.</p> <p>The Board also ensures that it receives the requisite declarations and assurances including a declaration that the Company's accounts have been kept in accordance with section 295A of the Corporations Act 2001 as it did in approving the Company's FY2022 statutory accounts.</p> |
| 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. | The Company ensures that a copy of every announcement to the market is sent to every Board member and Company Secretary and CFO, as appropriate, for review and comment prior to release to the ASX which includes the Company's Appendix 5B and associated commentary every quarter. The Board is of the view that having each announcement reviewed includes an appropriate and necessary level of oversight of all statements made to the market. |
| | Principle 5: Make Timely and Balanced Disclosure | A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. |
| | Recommendations: | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | The Board places a high priority on communication with Shareholders and the market generally and is aware of the obligations it has, under the Corporations Act and ASX Listing Rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's |

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| | | <p>securities. The Board requires that matters that a person could reasonably expect to have a material effect on the price or value of the Company's securities are announced to the ASX in accordance with the requirements of the ASX Listing Rules, and where a decision is made not to notify the ASX of a particular event or development, the reasons for non-notification are determined by members of the Board.</p> <p>The Company has a Continuous Disclosure Policy (available via the Company's website http://fitzroyriver.net.au), which outlines the processes and procedures for identifying information for disclosure. The policy and procedures aim to ensure that timely and accurate information is provided equally to all shareholders and market participants, consistent with the Company's commitment to its continuous disclosure obligations. The Company Secretary is the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.</p> |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | The Company Secretary ensures that a copy of every market announcement is provided to the Board either immediately before or immediately after release to the ASX. |
| 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. | As stated in the responses to 4.3 and 5.2, the Company ensures that a copy of every announcement to the market is sent to every Board member, Company Secretary and CFO, as appropriate, for review and comment prior to release to the ASX, which includes any new and substantive investor presentation. The Company Secretary also ensures that a copy of the investor presentation is provided to the Board either immediately before or immediately after release to the ASX. |
| | Principle 6: Respect the Rights of Security Holders | A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively. |
| | Recommendations: | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <p>The Board seeks to inform shareholders of its governance practices and all major developments affecting the Company by:</p> <ul style="list-style-type: none"> ▪ preparing half yearly and yearly financial reports; |

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| | | <ul style="list-style-type: none"> ▪ preparing quarterly cash flow reports and reports as to Company activities as required by the ASX Listing Rules; ▪ making announcements in accordance with the ASX Listing Rules and the Company's continuous disclosure obligations; ▪ hosting all of the above together with a copy of each of the Company's corporate governance policies on the Company's website; ▪ annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report together with notice of meeting and proxy form; and ▪ voluntarily releasing other information which it believes is in the interest of shareholders. |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in sections 5.1 and 6.1 of this corporate governance statement. |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <p>The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in sections 5.1 and 6.1 herein. The Company also encourages shareholders to attend the Company's AGM and to ask questions of the Board and the Auditor and/or to submit questions in writing in advance.</p> <p>The AGM enables shareholders to receive the reports and participate in the Company's affairs by attending the meeting in person or by proxy. Shareholders who attend the meeting are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the meeting for that purpose. A policy for communications with shareholders is contained within the Continuous Disclosure Policy mentioned above under Principle 5.</p> |
| 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. | The Company complies with this recommendation. |
| 6.5 | A listed entity should give security holders the option to receive communications from, | Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may |

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| | and send communications to, the entity and its security registry electronically. | lodge proxy instructions for items to be considered at the Company's AGM and any relevant EGM either by facsimile, mail, online or in person to the Company's share registry provider. |
| | Principle 7: Recognise and Manage Risk | A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework |
| | Recommendations | |
| 7.1 | <p>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> <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>(a) The Board does not have a separate audit committee with a composition as suggested by the Recommendations. Instead, the full Board carries out the function of an audit committee. The Board believes that the Company is not of a sufficient size to warrant a separate audit committee and that the full Board is able to meet the objectives of these Recommendations and discharge its duties in this area.</p> <p>(b) The Board has identified areas of business (particularly financial) risk which are monitored on an ongoing basis including:</p> <ul style="list-style-type: none"> ▪ Contract risk; ▪ Counterparty risk; ▪ Permit title risk; and ▪ Commodity (oil and gas) price and foreign exchange risk. <p>Detailed notes regarding financial risk management for the Company are contained within the Notes to the Financial Statements for the financial year ended 30 June 2022. The Board as a whole is responsible for supervising the management of risks by the Company. The Company recognises that risk management is an essential element of good corporate governance. The Company has established policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy (accessible via the Company's web site at http://fitzroyriver.net.au), which is to be reviewed annually.</p> <p>Key internal controls for the management of risk include:</p> <ul style="list-style-type: none"> ▪ Integrate risk management into all facets of its business; ▪ Use risk management techniques as an integral part of decision making; |

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| | | <ul style="list-style-type: none"> ▪ Ensure that all material risks are identified and objectively assessed against accepted criteria and that effective controls measures are implemented and maintained; ▪ Ensure that its employees and contractors are informed about this policy and their responsibilities for its implementation; ▪ Implement effective crisis management and business continuity plans; ▪ Implement effective financing strategies (including insurance) for the transfer of residual risk; ▪ Continually strive to improve the Company's performance and periodically review performance to identify areas for improvement; ▪ Comply with all applicable laws, regulations, internal policies and contractual obligations as a minimum standard; ▪ Adopt appropriate due diligence procedures for acquisitions and divestments; and ▪ Monitor its annual budgeting and monthly reporting systems. <p>Consistent with the requirements of the Corporations Act and the Recommendations, the person or persons fulfilling the functions of chief financial officer or equivalent are required to make a statement to the Board that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement was provided jointly by all 3 directors and covers off all requirements of the Corporations Act in this respect for the financial year ended 30 June 2022.</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> | <p>(a) This task is undertaken by the Board.</p> <p>(b) No formal review took place during the reporting period but risk is an item that is considered at each Board meeting and in accordance with the review and approval of the Company's half year and full year statutory accounts.</p> |

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| | (b) disclose, in relation to each reporting period, whether such a review has taken place. | |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(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.</p> | <p>(a) The Company does not have an internal audit function but outsources this role to Brendon Morton of Greenwood Road Pty Ltd who effectively performs the role of a CFO overseeing the Company's accounting and financial needs including quarterly reporting to the Board.</p> <p>(b) The Company's risk controls are the subject of review by the Company's auditors twice each year in conjunction with the half year review and annual audit.</p> |
| 7.4 | <p>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.</p> | <p>The Company is not aware of any specific material risk but has key internal controls for the management of risk which include:</p> <ul style="list-style-type: none"> ▪ Integrate risk management into all facets of its business; ▪ Use risk management techniques as an integral part of decision making; ▪ Ensure that all material risks are identified and objectively assessed against accepted criteria and that effective controls measures are implemented and maintained; ▪ Ensure that its employees and contractors are informed about this policy and their responsibilities for its implementation; ▪ Implement effective crisis management and business continuity plans; ▪ Implement effective financing strategies (including insurance) for the transfer of residual risk; ▪ Continually strive to improve the Company's performance and periodically review performance to identify areas for improvement; ▪ Comply with all applicable laws, regulations, internal policies and contractual obligations as a minimum standard; ▪ Adopt appropriate due diligence procedures for acquisitions and divestments; and ▪ Monitor its annual budgeting and monthly reporting systems. |
| | <p>Principle 8: Remunerate Fairly and Responsibly</p> | <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive</p> |

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| | | remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite. |
| | Recommendations | |
| 8.1 | <p>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> <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>(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> | <p>(a) There is no formal remuneration committee. A commentary on remuneration policy and practices is set out in the remuneration report contained within the Directors' Report in the Annual Report.</p> <p>(b) Non-executive Directors receive fees agreed on an annual basis by the Board. The maximum amount of remuneration for non-executive Directors is fixed by shareholders in general meeting and can be varied in that same manner. In determining the allocation, the Board takes account of the time demands made on the Directors (including the Chairman) together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them. In order to preserve funds (associated with the payment of Directors fees), and to attract and retain Directors of sufficient calibre and standing, all Directors are eligible to participate in the Company's Incentive Plan, subject to prior shareholder approval to any grant made in accordance with the Incentive Plan. There are no such current awards under any incentive plan.</p> |
| 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>The Board distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company's Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting.</p> <p>The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).</p> <p>The Company does not presently have an executive directors.</p> |
| 8.3 | A listed entity which has an equity-based remuneration scheme should: | The Company does not presently have an equity based remuneration scheme in place. |

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| | (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 (b) disclose that policy or a summary of it. | |
| | Principle 9: | |
| | Recommendations: | |
| 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 process 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. | Not applicable. |
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