



## CORPORATE GOVERNANCE STATEMENT 2018

Yandal Resources Limited (“Yandal” or the “Company”) has implemented and is committed to the ASX Corporate Governance Council’s (“Council”) Third Edition Corporate Governance Principles and Recommendations, and to maintaining a high standard of corporate governance. Where the Company’s corporate governance practices do not meet with all the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement some principles due to the size and stage of development of its operations, the Board’s reasoning for any departure is explained. Set out below are the corporate governance practices of the Company.

This document is current as at 28 September 2018. The information in this statement should be read in conjunction with the Company’s Prospectus and has been approved by the board of the Company.

Principle and Recommendations	Comply (Yes/No)	Explanation
<b>PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p><b>Recommendation 1.1</b> A listed entity should disclose:</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 Board Charter sets out matters including the specific roles and responsibilities of the Board and management requirements as to the Board’s composition, the roles and responsibilities of the Chair and Company Secretary, and the establishment, operation and management of Board Committees.</p> <p>The Company’s Board Charter is available on the Company’s website.</p>
<p><b>Recommendation 1.2</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>(a) The Company undertakes checks on any person who is being considered as a director. These checks may include good fame and character, experience, education and financial history and background.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>Each senior executive and executive Director has a formal employment contract and the non-executive Directors have a letter of appointment.</p>
<p><b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters</p>	Yes	<p>The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>

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to do with the proper functioning of the board.		
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "<i>senior executive</i>" for these purposes); or</p> <p>(B) if the entity is a "<i>relevant employer</i>" under the Workplace Gender Equality Act, the entity's most recent "<i>Gender Equality Indicators</i>", as defined in and published under that Act.</p>	Partially	<p>(a) The Company has adopted a formal diversity policy that includes, but is not limited to, factors such as gender, age, ethnicity and cultural background. Appointments are made on ability and availability.</p> <p>(b) The policy can be viewed on the Company's website.</p> <p>(c) The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit.</p>
<p><b>Recommendation 1.6</b></p> <p>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 in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>(a) The performance of the Board, is reviewed annually against appropriate measures in a manner that the Board deems appropriate. The review has regard to various matters including those set out in the Board Charter. The Remuneration and Nomination Committee will assist the Board as required in evaluations of the performance of directors (including the Managing Director).</p> <p>(b) The Company will report on whether a performance evaluation was undertaken.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for</p>	Yes	<p>(a) The Remuneration and Nomination Committee is responsible for evaluating the performance of senior executives. The Committee is</p>

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<p>periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		<p>to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Remuneration and Nomination Committee is required to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p>
<b>PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE</b>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director;</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>(a) The Company has a Remuneration and Nomination Committee which comprises 2 independent non-executive Directors and is chaired by an independent Director.</p> <p>The Remuneration and Nomination Committee's Charter is located on the Company's website.</p> <p>The Company will report on the meetings and attendance of the Remuneration and Nomination Committee.</p>
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Board reviews capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required.</p>

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<p><b>Recommendation 2.3</b></p> <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, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association 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>	Yes	<p>(a) Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual report. The current independent Directors are Katina Law and Kelly Ross.</p> <p>(b) The Board has determined the independence of each of the Company's directors in line with the guidance set out by the ASX's Corporate Governance Council and have not formed an opinion contrary to those guidelines.</p> <p>(c) The Directors in office have served continuously since their respective dates of appointment which are as follows:</p> <ul style="list-style-type: none"> <li>- Katina Law: appointed 1 July 2018;</li> <li>- Lorry Hughes: appointed 6 April 2018; and</li> <li>- Kelly Ross: appointed 6 April 2018.</li> </ul>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	Yes	The current independent Directors are Katina Law and Kelly Ross (being 2 of 3 Directors).
<p><b>Recommendation 2.5</b></p> <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>	Yes	The Chair of the Board (Katina Law) is an independent Director. The Chair is not the same person as the CEO.
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	All new directors are provided with an induction including comprehensive meetings with the Managing Director and senior executives, and provision of information on the Company including Company and Board policies. All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Remuneration and Nomination Committee oversees the induction program for new directors and considers the training and development needs of all Directors. The Committee is responsible for ensuring that resources are allocated to developing and maintaining the

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		directors' skills and knowledge, to ensure that the directors have and maintain the necessary skills and knowledge required to fulfil their role on the Board and its Committees effectively.
<b>PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY</b>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Yes	<p>(a) The Company's Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Code of Conduct is available on the Company's website.</p>
<b>PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING</b>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Partially	<p>(a) The Company has an Audit and Risk Committee which comprises three members, a majority of whom are independent Directors, and is chaired by an independent Director who is not the Chair of the Board.</p> <p>The Audit and Risk Committee Charter is available on the Company's website.</p> <p>The members of the Audit and Risk Committee are currently the full Board, Kelly Ross (Independent Non-executive Director and Chair of the Committee), Katina Law (Independent Non-executive Director) and Lorry Hughes (Managing Director).</p> <p>The Company will report on the meetings and attendance of the Audit and Risk Committee.</p>
<p><b>Recommendation 4.2</b></p> <p>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 the financial records of the entity have</p>	Yes	<p>Before the Board approves the entity's financial statements for a financial period, the CEO must have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply</p>

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<p>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>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><b>Recommendation 4.3</b> A 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>	<p>Yes</p>	<p>The Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<b>PRINCIPLE 5: MAKE TIMELY AND BALANCE DISCLOSURE</b>		
<p><b>Recommendation 5.1</b> A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>(a) The Company has a Continuous Disclosure and Market Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its market communications.</p> <p>(b) The Continuous Disclosure and Market Communications Policy is available on the Company's website.</p>
<b>PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Yes</p>	<p>Information about the Company and its governance is available in the Corporate Governance Statement and associated policies which can be found on the Company's website.</p>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Yes</p>	<p>The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>The Shareholder Communications Policy is available on the Company's website.</p>
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Yes</p>	<p>The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to vote online (and by other methods) prior to an Annual General Meeting if they are unable to attend the</p>

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		meeting.
<p><b>Recommendation 6.4</b></p> <p>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	The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders including receiving communications electronically.
<b>PRINCIPLE 7: RECOGNISE AND MANAGE RISK</b>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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 process it employs for overseeing the entity's risk management framework.</p>	Partially	<p>(a) The Company has an Audit and Risk Committee which comprises three members, a majority of whom are independent Directors, and is chaired by an independent Director who is not the Chair of the Board.</p> <p>The Audit and Risk Committee Charter which is available on the Company's website.</p> <p>The members of the Audit and Risk Committee are currently the full Board, Kelly Ross (Independent Non-executive Director and Chair of the Committee), Katina Law (Non-executive Director) and Lorry Hughes (Managing Director).</p> <p>The Company will report on the meetings and attendance of the Audit and Risk Committee.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within 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 will, at least annually, assisted by the Audit and Risk Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of, the Company.</p> <p>The Company will report on whether such a review has taken place.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and</p>	Yes	The internal audit function is overseen by the Audit and Risk Committee pursuant to the Audit and Risk Committee Charter.

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<p>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 risk management and internal control processes.</p>		
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	The Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Committee Charter.
<b>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</b>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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>	Yes	<p>(a) The Company has a Remuneration and Nomination Committee which comprises two independent non-executive Directors and is chaired by an independent Director. The Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website.</p> <p>The members of the Remuneration and Nomination Committee are currently the full Board, Katina Law (Independent Non-executive Director and Chair of the Committee), Kelly Ross (Non-executive Director) and Lorry Hughes (Managing Director).</p> <p>The Company will report on the meetings and attendance of the Audit and Risk Committee.</p>
<p><b>Recommendation 8.2</b></p> <p>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 Company provides disclosure of all Directors and executives remuneration in its annual report.</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 Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors.</p>



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		Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Performance incentives may include performance bonus payments, shares and/or options granted at the discretion of the Board and subject to obtaining the relevant approvals.
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</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>	Yes	The Company has an employee incentive scheme and has adopted a policy that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.