



KINGSROSE
MINING LIMITED

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2020
Corporate
Governance
Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

KINGSROSE MINING LIMITED

ABN/ARBN

49 112 389 910

Financial year ended:

30 JUNE 2020

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://www.kingsrosemining.com.au/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 18 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 18 September 2020

Name of authorised officer authorising lodgement: Karen O'Neill, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

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Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <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> <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>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://www.kingsrosemining.com.au/corporate-governance/.....</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p><input type="checkbox"/> in our Corporate Governance Statement.....</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: https://www.kingsrosemining.com.au/corporate-governance/.....</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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>(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 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at: Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: set out in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: [insert location] and the length of service of each director at: Set out in the 2020 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input type="checkbox"/> and we have disclosed our values at: [insert location]	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.kingsrosemining.com.au/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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. 	<input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: Set out in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.kingsrosemining.com.au/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</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>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</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><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>Set out in our Corporate Governance Statement</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>Set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>set out in the 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>https://www.kingsrosemining.com.au/corporate-governance/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
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.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

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Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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CORPORATE GOVERNANCE STATEMENT 2020

This Corporate Governance Statement is current as at 18 September 2020 and was reviewed and approved and authorised for release to the ASX by the Board of Directors on that date.

Kingsrose Mining Limited (**Kingsrose** or the **Company**) has established a corporate governance framework, the key features of which are set out in this statement. The Company's corporate governance practices reflect the commitment by the Board of Directors to implementing the highest standards of ethics, integrity, legal and statutory compliance. In establishing the corporate governance framework of the Company, the Board has adopted practices that are consistent with the ASX Corporate Governance Council's Principles and Recommendations (4th Edition) (**Principles and Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company has departed from any recommendations provided by the ASX Corporate Governance Council an explanation has been provided.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT OVERSIGHT

Recommendation 1.1

The Board is responsible for the overall performance and success of the Company and takes responsibility for setting its strategic direction, overseeing management of the Company, monitoring financial performance, reviewing and monitoring systems of risk management and internal control, overseeing the corporate governance framework of the Company and monitoring the implementation of the Company's code of conduct, policies and charters that reflect the values of the Company and guide the conduct of its Directors and employees.

The Managing Director (MD), or equivalent, supported by the executives of the Company, is responsible for managing the day to day activities of the Company and in addition is responsible for advancing the strategic direction of the Company as set and monitored by the Board.

The Company's Board Charter sets out the specific responsibilities of the Board, and those matters delegated to Senior Management.

A copy of the *Board Charter* is located at: <http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 1.2

When considering Board appointments, the Company ensures that appropriate checks are undertaken to verify the candidate's character, experience, education, criminal record and bankruptcy history.

A profile of each Director is included in every Annual Report and the Company ensures that all material information in its possession relevant to a Shareholder's decision on whether to elect or re-elect a Director is provided to Shareholders in the relevant notice of meeting.

Recommendation 1.3

The Company has in place a written agreement with each Non-Executive Director which outlines the terms of their appointment, the Company's expectations in relation to Director's duties and responsibilities, time commitment and compliance with Company policies, procedures and regulatory requirements. In addition, the agreement sets out the indemnity and insurance arrangements that the Company has in place and the Company's policy on Directors access to information and seeking external independent professional advice. Any material variations to written agreements with Directors are disclosed to ASX in accordance with ASX Listing Rule 3.16.4.

The Company has written contracts in place with each Senior Executive which sets out the terms of their appointment, a description of their position, duties and responsibilities, remuneration details and the circumstances giving rise to termination.

Further information can be found in the Remuneration Report in the 2020 Annual Report.

Recommendation 1.4

The Company Secretary is appointed by the Board and has a reporting function to the Board.

The Company Secretary has a direct line of communication with the Chairman and all Directors, and is responsible for supporting the proper functioning of the Board which includes, but not limited to, providing advice on governance and procedural issues, the preparation of detailed papers and minutes for all Board and Committee meetings, communicating with ASX and the ASIC on all regulatory matters, monitoring adherence to Board policies and procedures and retaining all professional advisors at the Board's request.

The responsibilities of the Company Secretary are set out in the *Board Charter* located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 1.5

The Company recognises that a talented and diverse workforce is a key competitive advantage and is committed to developing a workplace free from discriminatory practice of any kind in which individuals are treated fairly and equally with dignity and respect and where every employee has the opportunity to contribute to the Company's success whilst realising their full potential as an individual.

To this end, the Company has adopted an *Equal Employment Opportunity & Diversity Policy* whereby to the extent possible permitted by the laws of the jurisdictions in which it operates, there shall be no discrimination for or against any employee or applicant because of their race, religion, colour, gender, marital or family status, sexual orientation, gender identity, age, disabilities, national or ethnic origin, religious or political beliefs. Whilst the Company is committed to fostering diversity at all levels across the organisation, it firmly believes that this must be done on a non-discriminatory basis, always seeking to employ or promote the best qualified person for the job irrespective of race, religion, colour, gender, marital or family status, sexual orientation, gender identity, age, disabilities, national or ethnic origin, religious or political beliefs or any other personal attributes not relevant to the requirements of the job.

This *Equal Opportunity Employment & Diversity Policy* does not set measurable objectives specifically to achieve gender diversity.

A copy of the Company's *Equal Opportunity Employment & Diversity Policy* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

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 "senior executive" for these purposes) as at 30 June 2020 is disclosed below –

	Female	Male
Board	20%	80%
Senior Executives ¹	66%	33%
Whole organisation	12%	88%

¹ The Senior Executives are the individuals at the highest level of organisational management who have the day-to-day responsibilities of managing the Company below the Board. The Senior Executives include the Company's Managing Director and Company Secretary, the Chief Financial Officer and the PTNM President Director.

Recommendation 1.6

The Chairman is responsible for the evaluation of the Board and, where appropriate, Board committees and individual directors in accordance with the Company's *Process for Performance Evaluation*.

A formal performance evaluation of the Board and the Managing Director was completed during the financial year, with a closed Director session carried out following the performance evaluation to discuss the results and address any issues that arose as a result of the performance evaluations.

A copy of the Company's *Process for Performance Evaluation* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 1.7

The Managing Director is responsible for evaluation the performance of senior executives in accordance with the process disclosed in the Company's *Process for Performance Evaluation*.

A formal performance evaluation of the Chief Financial Officer and the PTNM President Director was undertaken during the Financial Year in accordance Company's *Process for Performance Evaluation*.

A copy of the Company's *Process for Performance Evaluation* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

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

Recommendation 2.1

Given the size and scale of the Company's operations, the full Board undertakes the role of the Nomination Committee. The Board considers that the formation of a separate Nomination Committee would not provide any additional benefits. The Board as a whole (with abstentions from relevant Directors where there is a conflict of interest) carries out the role and has the responsibilities typically assumed by a Nomination Committee. These responsibilities include, but are not limited to, regularly reviewing the size and composition of the Board and consideration of any appropriate changes, identifying and assessing the necessary and desirable skills and competency levels of Directors with a view to enhancing the Board, and making recommendations on the appointment, re-appointment or removal of Directors if and when necessary.

The Board as a whole reviews the Company's succession plans to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board.

The Board ensures there are plans in place to manage the succession of the Managing Director or equivalent and other senior executives.

The Board may, when it considers it necessary or appropriate, seek advice from external consultants or specialists.

Recommendation 2.2

The Board recognises the need for Directors to have a relevant blend of skills and personal experience across a range of disciplines to properly manage and oversee the Company's operations. As part of a Board review process undertaken during the 2020 financial year, the Board discussed its composition and what mix of skills, knowledge and experience was necessary to direct the Company and allow the Board to operate effectively and efficiently.

The Board developed a Board skills matrix (disclosed below) for each Director to self-assess their skills and experience considered relevant to the Company. Following a review of the Board skills matrix during the financial year, the Board concluded that its current composition is appropriate for the Company's current size and operations.

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<p>EXECUTIVE LEADERSHIP EXPERIENCE</p> <p>Evaluating the performance of senior management, overseeing strategic human capital planning, industrial relations, organizational change management programmes and sustainable success in business at a senior level.</p> 	<p>FINANCE COMMERCE & ACCOUNTING</p> <p>Financial accounting and reporting, commercial acumen, internal financial controls and corporate finance.</p> 	<p>LEGAL & CORPORATE GOVERNANCE</p> <p>Experience in corporate governance principles, working in a legal and/or regulatory environment and/or dealing with legal and regulatory matters in an executive role in an organization, and identifying key issues and developing appropriate policy parameters.</p> 
<p>OPERATIONAL & TECHNICAL</p> <p>Advanced technical understanding of exploration, mine geology, mining engineering or processing.</p> 	<p>HEALTH SAFETY & THE ENVIRONMENT</p> <p>Workplace health and safety environmental experience, implementing health safety and wellbeing strategies, proactive identification and prevention of health, safety and environmental risks</p> 	<p>CAPITAL MARKETS</p> <p>Expertise in capital markets including commitment to sustainability initiatives, social responsibility, and investor engagement.</p> 
<p>RISK MANAGEMENT & COMPLIANCE</p> <p>Applying broad based risk management frameworks in various regulatory or business environment, identifying key risks to an organisation related to key areas of operations, monitoring risk and compliance.</p> 	<p>STRATEGY</p> <p>Identifying and critically assessing strategic opportunities and threats to the organisation and, developing and implementing successful strategies in context to an organisation's policies and business objectives.</p> 	<p>ISSUES MANAGEMENT & STAKEHOLDER ENGAGEMENT</p> <p>Constructively manage major issues, provide leadership around solutions and contribute to a communications strategy with stakeholders.</p> 

A profile of each Director setting out their experience, expertise and period of office is set out in the Directors' Report in the 2020 Annual Report and on the Company's website.

Any additional Board appointment made in the future will be undertaken with due consideration given to the balance and mix of skills on the Board and in accordance with the Company's *Policy and Procedure for Selection and (Re) Appointment of Directors*. A copy of this Policy is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 2.3

At the date of this report, two of the five Directors are independent, namely Mr Carlile and Mr Lester. The composition of the Board, each member's length of service and their status is outlined in the Directors' Report in the 2020 Annual Report.

The Board recognises the importance of the Non-Executive Director and the role they play in exercising independent judgement and oversight of the Company's activities and the importance of ensuring that Non-Executive Directors are free from interests and relationships that could or could reasonably be perceived to materially interfere with the Director's ability to exercise independent judgment and act in the Company's best interests.

The Board annually assesses the independence of Directors taking into consideration the criteria of the type described in Box 2.3 of the Principles and Recommendations. This assessment may occur more than once each year if there is change in circumstances that may impact upon the independence of a Non-Executive Director. Individual Directors must not participate in assessing their own independence and must provide to the Board all information relevant to the assessment.

Mr Carlile has close business ties with Dr Andrews, holding common directorships in two TSX:V listed Companies. In addition, Mr Carlile provides general geological and technical advisory services to the Company through a consultancy agreement. The consulting services are on an ad hoc basis (the total for this financial year was \$4,427).

The Board has assessed that Mr Carlile's relationship with Dr Andrews and minor consultancy services to the Company does not interfere with Mr Carlile's capacity to bring independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. On this basis, the Board has classified Mr Carlile as an independent director.

Notwithstanding the Board's determination in relation to Mr Carlile's independence, the Board has adopted a set of Protocols outlining the process to be undertaken in the event of a conflict of interest or a perceived conflict of interest arises concerning any director, and furthermore, have appointed Mr Lester as Lead Independent Director in the event of a conflict of interest concerning the Chairman arises.

A copy of the Company's *Policy on Assessing the Independence of Directors* is located at:

http://www.kingsrosemining.com.au/images/corporate_governance/Policy-on-assessing-independence.pdf

Recommendation 2.4

At the date of this report, two of the five Directors are independent, namely Mr Carlile and Mr Lester.

The Board is of the view that the Company is not of sufficient size or scale to warrant the inclusion of additional independent Non-Executive Directors in order to comply with this recommendation. The Board considers that each of the current Directors possess the necessary skills and experience suitable and that the current composition of the Board is adequate for the Company's current size and scale of operations. The directors are aware of their duty to act in the best interest of the entity as a whole and the Board decision making reflects this.

The Board continues to monitor its composition and if the Company's operations evolve, it will consider the appointment of further independent directors if appropriate.

Recommendation 2.5

The Board recognises that having an independent Chair can contribute to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board.

At the date of this report, the interim Chairman, Dr Andrews is a Non-Executive Director however is a substantial shareholder and is associated with a material contractor to the Company, thereby not satisfying box 2.3 of the Principles and Recommendations.

The Board has adopted a set of Protocols outlining the process to be undertaken in the event of a conflict of interest arising concerning any director, and furthermore, have appointed Mr Lester as Lead Independent Director in the event of a conflict of interest concerning the Chairman arises.

Dr Andrews' role as Chairman is an interim one and with continual review and renewal of the Board composition, it is expected an alternate Chairman will be appointed in due course.

The roles of the Chairman and Chief Executive Officer are carried out by different persons.

Recommendation 2.6

All new Directors are provided with an induction facilitated by the Company Secretary including comprehensive meetings with the Managing Director (or equivalent) and Chairman, Senior Executives and management, and provision of an information pack including the organisational structure, the Constitution, and Company and Board policies and charters. In addition, all new Directors are required to undertake a site visit either prior to their appointment, or as soon as practicable after their appointment to further assist their understanding of the Company and its operations.

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, subject to approval, the Company will pay reasonable expenses in relation to relevant industry seminars and education courses.

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

Recommendation 3.1

The Company has a Board approved *Code of Conduct* identifying its values and expected behaviours and charges the Senior Executive team with the responsibility of instilling those values and behaviours across the Company.

The Company has not developed a separate 'values statement', instead relies on the *Code of Conduct* to provide the guiding principles and expected norms of the Company. The Board believes this to be adequate for the Company's current size and scale of operations.

Recommendation 3.2

The Company has established a *Code of Conduct* as a framework for decisions and actions promoting ethical and responsible decision making and conduct during employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and its duty of care to all its employees, clients and stakeholders. It sets out the principles and standards expected of anyone working for or engaged by the Company. All employees are given a copy of the *Code of Conduct* and are required to sign an acknowledgement of commitment and adherence to the Code of Conduct when they commence work with the Company.

A copy of the Company's *Code of Conduct* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 3.3

The Company has established a *Whistleblower Policy* underpinning the Company's commitment to integrity and fair dealing in its business affairs and its duty of care to all its employees, clients and stakeholders.

The Policy encourages the reporting of violations (or suspected violations) of the Company's *Code of Conduct* or material legal or regulatory obligations in good faith without fear of retribution.

A copy of the Company's *Whistleblower Policy* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 3.4

The Company has established a *Compliance Guide (Anti-Bribery and Corruption)* which provides clear definitions and guidelines for its directors, management, employees and associates to follow. It sets out the principles and standards expected of anyone working for or engaged by the Company. The Guide highlights the serious criminal and civil penalties that may be incurred.

A copy of the *Compliance Guide* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1

Given the size and scale of the Company's operations, the full Board undertakes the role of the Audit Committee. The Board considers that establishing a separate Audit Committee would not provide any additional benefits. The ultimate responsibility for the Company's financial statements rests with the full Board.

Although the Board has not established a separate Audit Committee, it has adopted an *Audit Committee Charter*, which describes the role, composition, functions and responsibilities of the Board in its capacity as the Audit Committee.

The procedures detailed in the *Audit Committee Charter* outline the process employed by the Board of Directors to 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.

A copy of the *Audit Committee's charter* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 4.2

The Managing Director and Chief Financial Officer have provided the Board with a declaration in accordance with Section 295A of the *Corporations Act 2001 (Cth)* that, in their opinion, the financial records of the Company for 2020 have been properly maintained in accordance with the Act and the financial statements and the notes for the financial year comply with the accounting standards and give a true and fair view of the financial position and performance of the Company. The Chief Executive Officer and Chief Financial Officer further declare, their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

When preparing reports for release to the market including the quarterly activity and cash flow reports these reports are prepared by, or under the supervision of, subject-matter experts and reviewed by the Managing Director (or equivalent) and Chief Financial Officer for accuracy and material requirements before being presented to the Board for review and approval. Such reports are not released to market without this review and approval process by executive management and the Board.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

The Company has a *Policy on Continuous Disclosure* designed to comply with its disclosure obligations under the *Corporations Act 2001 (Cth)* and ASX Listing Rules and to promote investor confidence in the Company. The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. In addition, the Policy sets out the obligations and accountability of all Directors, Officers and employees of the Group in relation to confidentially and continuous disclosure.

A copy of the Company's *Policy on Continuous Disclosure* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 5.2

The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. The Company Secretary ensures that the Board are aware of when any announcement is due to go out and when the confirmation of release is received by the ASX, the Company Secretary forwards this to the Board.

A copy of the Company's *Policy on Continuous Disclosure* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 5.3

The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. The Company Secretary ensures any substantive presentations are released to the ASX Market Announcements Platform in compliance with ASX Listing Rule 3.1.

A copy of the Company's *Policy on Continuous Disclosure* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

The Company's website www.kingsrosemining.com.au provides information on its Board and Management, its projects, operations, strategic objectives, community involvement and links to all material periodically released to ASX.

The website also includes an option for Shareholders to register for inclusion in the distribution of email updates from the Company including but not limited to, ASX Announcements, Investor Presentations, Financial Statements and any other information deemed relevant.

The dedicated Corporate Governance section which contains links to key policies, procedures and charters of the Company is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 6.2

The Company has a proactive approach to clearly and consistently communicating the Company's activities and objectives to Shareholders, the media and the wider investment community and actively encourages ongoing Shareholder engagement and feedback.

Given the size and scale of the entity's operations, the approach to investor relations is based on actively engaging with security holders at the AGM and meeting with shareholders and investor groups upon request.

The Company's *Shareholder Communication Policy* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 6.3

The Company encourages the attendance of Shareholders at Shareholders' meetings and a designated time is set aside for a question and answer session once the formal business of the meeting has been concluded.

The Company, through its Share Registry, has established an online voting facility to permit Shareholders to vote online if they are unable to attend the meeting.

The Company's *Shareholder Communication Policy* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 6.4

The Company, through its Share Registry, has established an online voting facility to permit Shareholders to vote online if they are unable to attend the meeting. All substantive resolutions at a meeting of security holders are decided by poll through this online voting and includes the votes by a show of hands on the day.

The Company's *Shareholder Communication Policy* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 6.5

The Company welcomes electronic communications from its Shareholders via its publicised email address info@kingsrosemining.com.au.

The Company's website also includes an option for Shareholders to register for inclusion in the distribution of email updates from the Company including but not limited to, ASX Announcements, Investor Presentations, Financial Statements and any other information deemed relevant.

The Company's Share Registry also engages with Shareholders electronically and makes available a range of relevant information on its website. Shareholders can register with the Share Registry to receive all communication via electronic means, including the Annual Report and Notices of Meetings and can also register to access their personal information and details of their shareholdings via the internet.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1

Given the size and scale of the Company's operations, the Board has not established a separate Risk Committee, instead, the Board assumes responsibility for the oversight and management of material business risks with management tasked with the responsibility for developing and maintaining a sound system of risk management and internal control to manage the Company's material business risks on a day-to-day basis.

Recommendation 7.2

The Company operates under a Risk Management Framework which provides the process for risk management and internal control systems and applies to the management of all types of risk, financial and non-financial throughout the business.

The Risk Management Framework requires the undertaking of an annual review of the Company's policies on risk oversight and management to satisfy itself that management has developed and implemented a sound system of risk management and internal control. An annual review was undertaken by the Board for the 2020 financial year.

A copy of the Company's Risk Management Policy is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 7.3

The Company does not currently have a formal internal audit function; however, the Board oversees the effectiveness of risk management and internal control processes.

Management is charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results of the effectiveness of these systems to the Board.

Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems adopted by the Company have been designed to meet the Company's specific needs and the risks to which it is exposed. Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operational and financial performance;
- authority limits established for management which must not be exceeded unless prior Board approval is obtained;
- a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

Recommendation 7.4

The Company, as a gold and silver exploration and production company, faces inherent risks in its activities, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for its Shareholders.

To manage and mitigate these inherent risks, the Company has in place a suite of policies and procedures to ensure the Company operates within a robust risk management framework and to ensure sustainable and responsible business practices are ongoing.

The Company's exposure to material environmental or social risks are discussed in the Operations Review, Directors' Report and the financial statements all contained in the 2020 Annual Report.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

Given the size and scale of the Company's operations, the full Board undertakes the role of the Remuneration Committee. The Board considers establishing a separate Remuneration Committee would not provide any additional benefits.

Although the Board has not established a separate Remuneration Committee, it has adopted a *Remuneration Committee Charter*, which describes the role, composition, functions and responsibilities of the Board in its capacity as the Remuneration Committee.

The procedures detailed in the Remuneration Committee Charter continue to be relevant and outlines the process employed by the Board of Directors for determining the structure of remuneration for Directors and senior executives. No individual director or senior executive is involved in deciding his or her own remuneration.

The Board will continue to assess the Company's circumstances and establish a Remuneration Committee when deemed appropriate.

A copy of the *Remuneration Committee's charter* is located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

Recommendation 8.2

In accordance with good corporate governance practice, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-executive Directors are remunerated on a fixed fee basis for their time, commitment and responsibilities as part of an aggregate fee pool approved by Shareholders. Fees paid to Non-Executive Directors cover all activities associated with their role on the Board and any sub-committees. Remuneration for Non-Executive Directors is not linked to the performance of the Company.

Remuneration for Executive Directors and Senior Executives consists of fixed annual remuneration (base pay, superannuation and other non-cash benefits) and variable 'at risk' components (i.e. short-term and long-term incentives). Further details regarding the Company's remuneration policies and practices is contained in the Remuneration Report in the 2020 Annual Report.

Recommendation 8.3

The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy prohibits key management personnel from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

A copy of the Company's *Security Trading Policy* can be located at:

<http://www.kingsrosemining.com.au/corporate-governance/>

ENDS