

## Corporate Governance Statement

### Overview

The Board of Directors (“**the Board**”) of Energy Transition Minerals Ltd (“**the Company**”) is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making. Accordingly, the Company has, where appropriate, sought to adopt the ‘Corporate Governance Principles and Recommendations’ (Forth Edition) (“**Recommendations**”) published by the ASX Corporate Governance Council.

The corporate governance principles and recommendations adopted by the Company may depart from those generally applicable to ASX-listed companies under ASX Recommendations where the Board considers compliance is not appropriate having regard to the nature and size of the Company’s business.

The Company sets out below its “if not why not” report in relation to those matters of corporate governance where the Company’s practice departs from the ASX Recommendations to the extent that they are currently applicable to the Company. This statement is current as at 28 March 2023 and has been approved by the Board.

### ASX Corporate Governance Principles and Recommendations

#### Principle 1: Lay a solid foundation for management and oversight

##### Recommendation 1.1

*A listed entity should disclose:*

- (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.*

#### Compliance with ASX Recommendation: followed

The Company has adopted a Board Charter a copy of the Board Charter is available at: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

Under the board charter, the Board is responsible for the overall operation and stewardship of the Company and its subsidiaries and, in particular, is responsible for:

- approving the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives and ensuring there are adequate resources available to meet the Company’s objectives;
- appointing the managing director and company secretary of the Company;
- evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;

- approving and monitoring financial reporting and capital management;
- ensuring that adequate risk management procedures exist and are being complied with;
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company; and
- ensuring procedures are in place for ensuring the Company's compliance with the law.

The Board meets on a regular basis to review the Company's performance against its goals both financial and non-financial.

The responsibilities of Senior Management including the Managing Director are set out in their respective job descriptions.

### **Recommendation 1.2**

*A listed entity should:*

- (a) undertake appropriate checks before appointing a director or senior executive, or putting forward to security holders a candidate for election, as a director; and*
- (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.*

### **Compliance with ASX Recommendation: followed**

The board undertakes appropriate checks prior to appointing person or putting a person forward as a candidate for election as a director. These include checks as to the person's character, education, criminal record, bankruptcy history, experience and ability to add value to the board.

As a matter of practice, the Company includes in its notices of meeting a brief biography of each Director who stands for election or re-election. The biography sets out:

- the relevant qualifications and professional experience of the director;
- details of directorships with other listed companies;
- any material conflicts of interest or other adverse information;
- a statement regarding whether the director meets the criteria to be considered independent;
- a statement whether the remainder of the board supports the election or re-election of the candidate.

### **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

**Compliance with ASX Recommendation: followed**

The Company seeks to engage or employ its directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.

The Company's Managing Director and all other senior Executives are employed pursuant to a written employment agreement with the Company and each Non-Executive Director is engaged under a letter of engagement.

**Recommendation 1.4**

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

**Compliance with ASX Recommendation: followed**

In accordance with the Board Charter, the Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.

**Recommendation 1.5**

*A listed entity should:*

- (a) have and disclose a diversity policy;*
- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and which includes requirements for the board or a relevant committee of 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;*
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*
  - (i) 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); or*
  - (ii) 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.*

**Compliance with ASX Recommendation: followed**

The Company's recruitment policy is merit based. The most appropriate person for the position is employed regardless of gender, age, ethnicity and cultural background. The Company's Diversity policy is on the Company's website: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

The positions held by women in the Company (including subsidiaries) at 31 December 2022 include three corporate positions, approximately 26% of all staff are women.

The Company is not a 'relevant employer' under the Workplace Gender Equality Act.

Taking into consideration the Company's current size and relatively low number of employees, the Company to date has not implemented a monitoring and evaluation policy to assess the Company's measurable objectives in the area of diversity, in all relevant areas of the business.

The Directors are aware of their responsibility to the community, the staff and the Company.

#### **Recommendation 1.6**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

#### **Compliance with ASX Recommendation: followed**

The Board undertakes an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of its Charter; and
- effects any improvements to the Board Charter deemed necessary or desirable.

The small size of the Board and the nature of the Company's activities make the establishment of a formal performance evaluation at the present time unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board reviews performance of the management, Directors and the Board as a whole.

#### **Recommendation 1.7**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

#### **Compliance with ASX Recommendation: followed**

The Company has a process for evaluation of its key executives.

As with evaluation of Directors, performance evaluation for key executives is a discretionary matter for consideration by the entire Board and in the normal course of events the Board reviews the performance of the executives and management as a whole.

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

### **Recommendation 2.1**

*The board of a listed entity should:*

*(a) have a nomination committee which:*

- (i) has at least three members, a majority of whom are independent directors; and*
- (ii) is chaired by an independent director,*

*and disclose:*

- (i) the charter of the committee;*
- (ii) the members of the committee; and*
- (iii) 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*

*(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.*

### **Compliance with ASX Recommendation: 2.1(a) not followed, 2.1(b) followed**

The Company does not have a nomination committee.

The full Board, considers the matters and issues that would otherwise be addressed by a nomination committee.

Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practise, candidates for the office of Director are individually assessed by the Chairman and the Managing Director then considered by the entire Board, before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of the Company's operations.

The Board considers that, given the current size and scope of the Company's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.

The Board would reconsider the requirement for, and benefits of, a separate nomination committee as the Company's operations grow.

### **Recommendation 2.2**

*A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

**Compliance with ASX Recommendation: not followed**

The Company does not currently have a skills or diversity matrix in relation to the Board. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board will adopt such a matrix at a later time as the Company's operations grow and evolve.

**Recommendation 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, association 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, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) the length of service of each director.*

**Compliance with ASX Recommendation: followed**

The Company has two directors who satisfy the criteria for independence as outlined in ASX Recommendation 2.3, being Mr Edward (Ed) Mason and Mr Mark Saxon.

The Board currently comprises the following members:

**Mr Ed Mason - Non-Executive Chairman**

Mr Mason has been a non-executive chairman since 19 April 2022.

The Board (excluding Mr Mason) considers Mr Mason to be independent as Mr Mason holds a less than substantial number of shares in the Company and is not involved in the day-to-day management of the Company.

**Mr Daniel Mamadou Blanco - Managing Director**

Mr. Mamadou Blanco held this office since 6 December 2021.

The Board (excluding Mr Mamadou Blanco) considers Mr Mamadou Blanco to be non-independent as he is an executive director of the Company.

**Mr Xiaolei Guo – Non-executive Director**

Mr Guo was appointed as a director on 12 October 2017.

The Board (excluding Mr Guo) considers Mr Guo to be non-independent as Mr Guo represents a substantial shareholder, Le Shan Shenghe Rare Earth Company Limited.

**Mr Mark Saxon - Non-executive Director**

Mr Mark Saxon has been a director since 24 August 2022.

The Board (excluding Mr Mason) considers Mr Mason to be independent as Mr Mason holds a less than substantial number of shares in the Company and has not been involved in the day-to-day management of the Company or held an executive position within the last 3 years.

#### **Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors.*

#### **Compliance with ASX Recommendation: not followed**

The Board does not comprise a majority of “independent directors” at present.

There are currently two directors who satisfies the criteria for independence for the purposes of ASX Recommendation 2.3, being Mr Ed Mason and Mr Mark Saxon (see paragraph 2.3(c) above).

However, given the size and scope of the Company's operations, the Board considers that it has the relevant experience in the exploration and mining industry and is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

The Board Charter provides that it is preferable that the majority of the Board be independent non-executive directors. Accordingly, the Board would appoint further independent non-executive directors as suitably qualified candidates are identified and as the size and scale of the Company's operations determine.

#### **Recommendation 2.5**

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

#### **Compliance with ASX Recommendation: followed**

The Chairman of the Company, Mr Ed Mason, is an independent director in accordance with the criteria for independence as outlined in ASX Recommendation 2.3.

#### **Recommendation 2.6**

*A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

#### **Compliance with ASX Recommendation: followed**

New Directors are introduced to the staff and are given a thorough explanation of the Company's affairs and procedures.

The Directors are from diverse backgrounds and have developed varied personal experiences that add to the combined skill base of the Board. The Board seeks to ensure that all of its members understand the Company's operations and encourages direct interaction with senior management when required. Directors are encouraged attend, on behalf of the Company and otherwise,

technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advancements.

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

#### **Recommendation 3.1**

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

#### **Compliance with ASX Recommendation: followed**

The Board has adopted a Statement of Values, the values apply to the Company and all subsidiaries and are a minimum standard of behavior that is expected from the Company's directors, senior executives and employees.

Energy Transition Minerals Ltd core values are to:

- To act honestly, ethically and responsibly at all times.
- To strive to meet the expectations of stakeholders.
- To operate in a socially and environmentally responsible manner.
- To be respectful of all stakeholders.

A copy of the Statement of Values is available on the Company's website. [Corporate Governance \(etransmin.com\)](http://etransmin.com)

#### **Recommendation 3.2**

*A listed entity should:*

- (a) have a code of conduct for its directors, senior executives and employees; and*
- (b) disclose that code or a summary of it.*

#### **Compliance with ASX Recommendation: followed**

The Board has established a Directors' Code of Conduct and a Code of Business Conduct. These Codes aim to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour with which the directors, officers, managers, employees and consultants of the Company are expected to comply. The Board believes that the success of the Company has been and will continue to be enhanced by a strong ethical culture within the organization.

These Codes sets out the Company's policies on various matters, including the following:

- conflicts of interest – in accordance with the Corporations Act and the Constitution, each Director is required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company, and where the Board believes a significant conflict exists, the Director concerned will not receive the relevant papers and will not be present at the Board meeting whilst the matter is being considered;
- dealings with the Company's assets and property;



- health, safety and environment;
- employment practices; and
- gifts and entertainment.

The Codes also outlines the procedure for reporting any breaches of the Codes and the possible disciplinary action the Company may take in respect of any breaches.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

In fulfilling their duties, each director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairman, whose approval will not be unreasonably withheld.

A copy of the Codes is available at: [Corporate Governance \(etransmin.com\)](http://etransmin.com)

### **Recommendation 3.3**

*A listed entity should:*

- a) have and disclose a whistleblower policy; and,*
- b) ensure the board or a committee of the board is informed of any material incidents reported under that policy.*

### **Compliance with ASX Recommendation: followed**

The Company has implemented a Whistleblower Policy, the Policy supplements the Company's Code of Conduct and Risk Management Policies. The aim of the Whistleblower Policy is to encourage staff to report any behavior they suspect to be in breach of the Company's Code of Conduct, any other Company's policies or unethical or illegal activities. The Whistleblower Policy provides the following guidance:

- the types of matters that are reportable under the Policy;
- how a report should be made and who a report should be made to;
- how the report will be investigated;
- protections provided to the Whistleblower.

A copy of the Whistleblower policy is available at: [Corporate Governance \(etransmin.com\)](http://etransmin.com)

### **Recommendation 3.4**

*A listed entity should:*

- a) have and disclose an anti-bribery and corruption policy; and,*
- b) ensure that the board or a committee of the board is informed of any material breaches of the policy.*

**Compliance with ASX Recommendation: followed**

The Company has implemented an **Anti-bribery and Corruption** Policy, the Policy supplements the Company's Code of Conduct and Risk Management Policies and other relevant policies and codes. The aim the policy is to:

- ensure all Staff comply with applicable laws relating to anti-bribery and corruption;
- provide guidelines for the handing of gifts, hospitality and sponsored travel;
- protect the Company from any appearance of or actual misconduct and to ensure the Company maintains the highest standards of ethical and legitimate business practices.

A copy of the Anti-bribery and Corruption policy is available at: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

**Principle 4: Safeguard the integrity in corporate reports****Recommendation 4.1**

*The board of a listed entity should:*

*(a) have an audit committee which:*

*(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*

*(ii) is chaired by an independent director, who is not the chair of the board,*

*and disclose:*

*(i) the charter of the committee;*

*(ii) the relevant qualifications and experience of the members of the committee; and*

*(iii) in relation to each reporting period, the number of times the committee met throughout the period*

*(iv) 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.*

**Compliance with ASX Recommendation: followed**

The Company has an Audit Committee that currently comprises two independent non-executive directors. However taking into account the Company's current size and scope of operations, the Board is confident the current Audit Committee is capable of fulfilling its role.

The audit committee consists of Mark Saxon (Audit Committee Chairman) and Ed Mason. Both Mr Saxon and Mr Mason are independent non-executive directors.

The qualifications of the members of the Audit Committee are disclosed in the Company's annual report and on the Company's website. [Corporate Governance \(etransmin.com\)](https://etransmin.com)

The Audit Committee is chaired by an independent non executive director. The Board considers the current Committee members possess the relevant skills and experience to effectively carry out their obligations.

The Company has adopted an Audit Committee charter which is available on the Company's website. [Corporate Governance \(etransmin.com\)](https://etransmin.com)

The Audit Committee meets at least twice a year and provides for effective communication between the Board and the external auditors. The Committee reviews:

- The annual and half-year financial reports and accounts prior to their approval by the board;
- The effectiveness of management information systems and internal control procedures;
- The efficiency and effectiveness of the external audit function

The Audit Committee meets with and receives regular reports from the external auditors concerning matters that arise during the audit process, including the adequacy of internal controls.

Details relating to the number of Audit Committee meetings and the attendance at the meetings are included in the Company's Annual Report.

The Audit Committee also reviews the Company's Corporate Governance and Risk Management process to ensure that they are effective and meet the expected requirements of a listed public company of the size and nature of Energy Transition Minerals Ltd.

#### **Recommendation 4.2**

*The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

#### **Compliance with ASX Recommendation: followed**

The Company obtains a declaration from its Managing Director and Chief Financial Officer before its financial statements are approved, substantially in the form referred to in ASX Recommendation 4.2.

#### **Recommendation 4.3**

*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.*

#### **Compliance with ASX Recommendation: followed**

In accordance with the Company's Shareholder Communications Policy, the Company requests that its external auditor attends each Annual General Meeting of the Company and is available to answer

questions from shareholders in relation to the conduct of the audit and the preparation and content of the auditor's report.

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

#### **Recommendation 5.1**

*A listed entity should:*

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) disclose that policy or a summary of it.*

#### **Compliance with ASX Recommendation: followed**

The Company is a "disclosing entity" pursuant to section 111AR of the Corporations Act and, as such, complies with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company is required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is committed to observe its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All ASX announcements will be posted on the Company's website.

The Company has adopted a Continuous Disclosure Policy, the purpose of which is to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and, as much as possible, seeks to achieve and exceed best practice;
- provide shareholders and the market with timely, direct and equal access to information issued by the Company, including emails of ASX announcements; and
- promote investor confidence in the integrity of the Company and its securities.

A copy of the Continuous Disclosure Policy is available at: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

#### **Recommendation 5.2**

*A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

#### **Compliance with ASX Recommendation: followed**

In accordance with the Company's Continuous Disclosure Policy, a copy of all market announcements, made by the Company is sent via email to all Company Directors upon receiving confirmation from the ASX that the announcement has been released.

#### **Recommendation 5.3**

*A listed entity that gives a new and substantive, investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

**Compliance with ASX Recommendation: followed**

In accordance with the Company's Continuous Disclosure Policy, when conducting briefings with investors or analysts, it is Company policy not to disclose any information which is, or potentially is, materially price sensitive information, that has not been announced to the ASX and the market in general. Where new and substantive material is presented during these briefings, the material will be released in the ASX Market Announcements Platform prior to the briefing.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

**Compliance with ASX Recommendation: followed**

Information on the Company's corporate governance, including copies of its various corporate governance policies and charters, is available at:

[Corporate Governance \(etransmin.com\)](http://etransmin.com)

**Recommendation 6.2**

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

**Compliance with ASX Recommendation: followed**

The Company has a Shareholder Communications Policy to facilitate effective two-way communication with its shareholders and potential investors. The policy establishes procedures for shareholder queries to be made to the Managing Director and Company Secretary generally at any time and provides that shareholders are provided with opportunities to put questions to the Board at general meetings.

A copy of the Shareholder Communications Policy is available at: [Corporate Governance \(etransmin.com\)](http://etransmin.com)

**Recommendation 6.3**

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

**Compliance with ASX Recommendation: followed**

As noted above, the Company has adopted a Shareholder Communications Policy to address ASX Recommendation 6.2.

In accordance with the Shareholder Communications Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation.

As a matter of practice, in its notices of meeting, the Company encourages those shareholders who cannot attend general meetings in person to appoint proxies on their behalf.

The Company's Shareholder Communications Policy sets out the Company's procedures in relation to shareholder participation.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

#### **Recommendation 6.4**

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.*

#### **Compliance with ASX Recommendation: followed**

The Company values the principle of 'one security one vote'. The Chairman at a general meeting has the right to call a poll where appropriate. Where the matter pertaining to a resolution is substantive, contentious or a significant number of proxy votes received have been against the resolution, the Chairman will call for a poll for that resolution.

#### **Recommendation 6.5**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

#### **Compliance with ASX Recommendation: followed**

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.

In accordance with the Shareholder Communication Policy, the Company encourages shareholders to register for the email alert service available through the Company's website. Shareholders will receive information by email, including ASX announcements, annual and other reports and company presentations. Shareholders are encouraged to register their details with the Company's share registry, Advanced Share Registry to receive the annual report and notice of general meetings by email.

### **Principle 7: Recognise and manage risk**

#### **Recommendation 7.1**

*The board of a listed entity should:*

*(a) have a committee or committees to oversee risk each of which:*

*(i) has at least three members, a majority of whom are independent directors; and*

*(ii) is chaired by an independent director,*

*and disclose,*

*(i) the charter of the committee;*

- (ii) *the members of the committee; and*
  - (iii) *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*
- (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.*

**Compliance with ASX Recommendation: 7.1(a) not followed, 7.1(b) followed**

The Company does not have a separate risk management committee.

The role of the risk management committee is undertaken by the full Board, which comprises three non-executive directors and one executive director.

The Board considers that, given the current size and scope of the Company's operations and that only one Director holds an executive position in the Company, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.

However, the Company has established a Risk Management Policy for the Company, the purpose of which is to:

- provide a framework for identifying, assessing, monitoring and managing risk;
- communicate the roles and accountabilities of participants in the risk management system; and
- highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.

Under the Risk Management Policy, the Board is responsible for:

- risk management and oversight of internal controls;
- establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and
- for the overseeing of such procedures.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

A copy of the Risk Management Policy is available at: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

**Recommendation 7.2**

*The board or a committee of the board should:*

*(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*

*(b) disclose, in relation to each reporting period, whether such a review has taken place.*

**Compliance with ASX Recommendation: followed**

The Board reviews assessments of the effectiveness of risk management and internal compliance and control for the Company on an ongoing basis.

The Company conducts annual reviews of risk management. As at the date of this statement the company has not disclosed that these reviews have been undertaken, but the Company intends to do so on an annual basis as operations and risk exposure increases.

**Recommendation 7.3**

*A listed entity should disclose:*

*(a) if it has an internal audit function, how the function is structured and what role it performs; or,*

*(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.*

**Compliance with ASX Recommendation: 7.3 (a) not followed, 7.3(b) followed**

The Company does not currently have internal audit function. The board has determined that consistent with the Company's current size and activities, an internal audit function is not appropriate. Consistent with recommendations 7.1 and 7.2 and principle 4, the Company has adopted a Risk Management Policy and internal controls and procedures appropriate for the size of the Company and its operations to manage material risks. This includes regular reporting to the Board on the effectiveness of risk management processes and controls that are in place.

**Recommendation 7.4**

*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.*

**Compliance with ASX Recommendation: followed**

The Company's primary operation of mineral exploration and development is speculative in nature and has inherent risks. It is subject to various economic, environmental and social sustainability risks, which may materially impact the Company's ability to operate and to generate value for shareholders. These include:

- **Regulatory risks:** Adverse changes in government policies or legislation in Australia and Greenland including, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.
- **Permitting risk:** The Company's main exploration license is granted under the Greenland Minerals Act and subject to the terms and conditions of the license, that must be complied with to ensure the license remains in good standing. Obtaining the right to mine will require



satisfying the various regulatory requirements in Greenland and obtaining an exploitation license from the Greenland authorities.

- **Future capital requirements:** The Company may need to raise funds for working capital from time to time. However, there is no guarantee that appropriate or adequate funding will be available.
- **Commodity price fluctuations:** The Company's future revenue will depend upon demand and commodity prices for rare earth elements, uranium and zinc.
- **Exchange rate fluctuations:** The expenditure of the Company is and will be taken into account in Australian and Danish Kroner currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the Danish kroner and the Australian dollar as determined in international markets.
- **Environmental risks:** The operations and activities of the Company in Greenland are subject to Greenland environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company aims to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.
- **Securities market conditions:** As with all securities markets, the price of the Company's shares and other securities is subject to fluctuations in the market.

The company has adopted the Risk Management Policy and other procedures to identify, mitigate and manage these risks. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of the Company's risk profile.

## Principle 8: Remunerate fairly and responsibly

### Recommendation 8.1

*The board of a listed entity should:*

*(a) have a remuneration committee which:*

- (i) has at least three members, a majority of whom are independent directors; and*
- (ii) is chaired by an independent director,*

*and disclose:*

- (i) the charter of the committee;*
  - (ii) the members of the committee; and*
  - (iii) 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*
- (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.*

**Compliance with ASX Recommendation: followed**

The Company has a Remuneration Committee that currently comprises two independent non-executive directors. However taking into account the Company's current size and scope of operations, the Board is confident the current Audit Committee is capable of fulfilling its role.

The Remuneration Committee consists of Mark Saxon (Remuneration Committee Chairman) and Ed Mason. Both Mr Saxon and Mr Mason are independent non-executive directors.

The qualifications of the members of the Audit Committee are disclosed in the Company's annual report and on the Company's website. [Corporate Governance \(etransmin.com\)](https://etransmin.com)

The Remuneration Committee is chaired by an independent non executive director. The Board considers the current Committee members possess the relevant skills and experience to effectively carry out their obligations.

The Remuneration Committee carries out a review of remuneration paid to directors and senior executives at least once a year. This includes a review of the directors' or senior executives' performance and comparison with remuneration paid for similar positions in companies of a similar size and stage of development.

The Company sets out the remuneration paid or provided to directors and senior executives annually in the remuneration report contained within the Company's annual report to shareholders.

The maximum aggregate remuneration payable to non-executive directors was approved by the shareholders in 2022 in accordance with the Company's Constitution and the Non-Executive Directors have been paid below this threshold.

**Recommendation 8.2**

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

**Compliance with ASX Recommendation: followed**

The Company's policies and practices regarding the remuneration of executive and non-executive directors and other senior executives is set out in the Remuneration Report contained in the Company's Annual Report for each financial year.

**Recommendation 8.3**

*A listed entity which has an equity-based remuneration scheme should:*

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) disclose that policy or a summary of it.*

**Compliance with ASX Recommendation: not applicable**

Performance rights, issued under an equity-based remuneration scheme, are non-transferable and have no monetary value until such time the vesting conditions are satisfied. Therefore, neither the Company or the holder of the unvested performance rights are exposed to any economic risk. Upon satisfying the vesting conditions, the performance rights convert to fully paid ordinary shares and fall under the scope of the Company's Securities Trading Policy.

Other than performance rights, there are no other securities issued under an equity-based remuneration scheme.

A copy of the Securities Trading Policy is available at: [Corporate Governance \(etransmin.com\)](https://etransmin.com)

## **Principle 9: Additional recommendations**

### **Recommendation 9.1**

*A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and contribute to the discussions at those meetings and can understand and can discharge obligations in relation to those documents.*

#### **Compliance with ASX Recommendation: followed**

All directors of the Company speak and write English. English is the second language for one director. The Company provides an interpreter at board meetings to ensure there is a full understanding of all matters discussed and board members can contribute equally.

### **Recommendation 9.2**

*A listed entity established outside of Australia should ensure that meetings of security holders are held at a reasonable place and time.*

#### **Compliance with ASX Recommendation: not applicable**

### **Recommendation 9.3**

*A listed entity established outside Australia and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

#### **Compliance with ASX Recommendation: not applicable**