



## Corporate Governance Statement 2021

This Corporate Governance Statement is current as at 23 September 2021 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board and Executive Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at [carnabyresources.com.au](https://carnabyresources.com.au).

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	YES	<p>The Company has adopted a Board and Executive Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board and Executive Charter sets out the specific responsibilities of the Board, requirements as to the Board’s composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors’ access to Company records and information, details of the Board’s relationship with management, details of the Board’s performance review and details of the Board’s disclosure policy.</p> <p>A copy of the Company’s Board and Executive Charter is available on the Company’s website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Nomination and Remuneration Committee Charter. This Charter requires appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person to a directorship or senior executive position or putting forward to security holders a candidate for election as a Director.</p> <p>(b) The Company ensures that all material information in its possession relevant to a shareholder’s decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company’s Notice of Annual General Meeting.</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>Each director and executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.</p>
<p><b>Recommendation 1.4</b></p> <p>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.</p>	YES	<p>The Board and Executive Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>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>(i) the measurable objectives for achieving gender diversity;</p> <p>(ii) the entity's progress towards achieving</p> <p>(iii) 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>	PARTIALLY	<p>a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives and the Company's progress in achieving them. The Diversity Policy is available on the Company's website.</p> <p>b) The Board does not presently intend to set measurable gender diversity objectives because:</p> <ol style="list-style-type: none"> <li>1. the Board does not anticipate there will be a need to appoint any new Directors or senior executives due to limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and</li> <li>2. if it becomes necessary to appoint any new Directors or senior executives, the Board considers the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive</li> </ol>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<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 the Workplace Gender Equality Act.</p>		<p>roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company’s policy of appointing based on skills and merit.</p> <p>c)</p> <p>(i) See part b)</p> <p>(ii) See part b)</p> <p>(iii) 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) at the current date is as follows;</p> <ul style="list-style-type: none"> <li>• the Company had one female employee out of a total of 4 employees; and</li> <li>• the Company had no women in a senior management position and no women on the Board.</li> </ul>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	NO	<p>(a) The Board and Executive Charter provides that the Board’s performance shall be evaluated in such a manner as the Board deems appropriate. A copy of this Charter is available on the Company’s website.</p> <p>(b) In the coming year, each Director performance will be discussed informally, whereby the performance of individual members and the performance of the Board as a whole, will be assessed. A standalone board performance review may be conducted.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance</p>	YES	<p>The Company’s process for evaluating the performance of the Executives is stated in the Board and Executive Charter, a copy of which is available on the Company’s website.</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p>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>The evaluation is required to include:</p> <ul style="list-style-type: none"> <li>▪ assessment of performance against the requirements of the Board and Executive Charter;</li> <li>▪ measurement of performance against previously agreed key performance indicators ('KPIs'); and</li> <li>▪ setting new KPIs.</li> </ul> <p>A review of the performance of Executive's will be carried out annually. The review will be conducted by the Chairman or Managing Director.</p>
<b><i>Principle 2: Structure the Board to add value</i></b>		
<p><b>Recommendation 2.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <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,</p>	YES	<p>(a) The Company does not have a Nomination Committee. The Company's Nomination and Remuneration Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Nomination and Remuneration Committee Charter is available on the Company's website.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board and executive Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> <li>(i) devoting time at least annually to discuss Board succession</li> </ul>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION										
independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		<p>issues and updating the Company's Board skills matrix; and</p> <p>(ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>										
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	YES	<p>Under the Nomination and Remuneration Committee Charter, the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Company's desired mix of skills and competence is listed below. The Board considers its current composition adequately meets these required competencies.</p> <table border="1" data-bbox="1162 759 2036 1235"> <thead> <tr> <th data-bbox="1167 762 1375 807">Area</th> <th data-bbox="1375 762 2031 807">Competence</th> </tr> </thead> <tbody> <tr> <td data-bbox="1167 807 1375 887">Leadership</td> <td data-bbox="1375 807 2031 887">Business Leadership, Public Listed Company Experience</td> </tr> <tr> <td data-bbox="1167 887 1375 1018">Business and Finance</td> <td data-bbox="1375 887 2031 1018">Business Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Mergers and Acquisitions, Risk Management, Tax – International</td> </tr> <tr> <td data-bbox="1167 1018 1375 1161">Sustainability and Stakeholder Management</td> <td data-bbox="1375 1018 2031 1161">Community Relations, Corporate Governance, Health &amp; Safety, Human Resources, Remuneration</td> </tr> <tr> <td data-bbox="1167 1161 1375 1235">Technical</td> <td data-bbox="1375 1161 2031 1235">Geological, Mining/Engineering, Project Development, Mine Construction</td> </tr> </tbody> </table> <p>The Board and Executive Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director</p>	Area	Competence	Leadership	Business Leadership, Public Listed Company Experience	Business and Finance	Business Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Mergers and Acquisitions, Risk Management, Tax – International	Sustainability and Stakeholder Management	Community Relations, Corporate Governance, Health & Safety, Human Resources, Remuneration	Technical	Geological, Mining/Engineering, Project Development, Mine Construction
Area	Competence											
Leadership	Business Leadership, Public Listed Company Experience											
Business and Finance	Business Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Mergers and Acquisitions, Risk Management, Tax – International											
Sustainability and Stakeholder Management	Community Relations, Corporate Governance, Health & Safety, Human Resources, Remuneration											
Technical	Geological, Mining/Engineering, Project Development, Mine Construction											

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
		and senior executive's relevant skills and experience are available in the Company's Annual Report.
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board and Executive Charter requires the disclosure of the names of Directors considered by the Board to be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of independent judgement.</p> <p>The following Directors have been assessed as independent:</p> <ul style="list-style-type: none"> <li>▪ Mr Peter Bowler (Non-Executive Chairman)</li> <li>▪ Mr Paul Payne (Non-Executive Director)</li> </ul> <p>(b) Mr Bowler and Mr Payne are security holders of the Company (through combinations of direct and indirect interests). The Board is of the opinion that these interests do not compromise the independence of each Director respectively. This opinion has been formed on the basis that these interests are not of sufficient materiality (relative to each Director) in order to interfere, or might be reasonably seen to interfere, with each Director's independence.</p> <p>Furthermore, the Board is of the view that the holding of securities in the Company may help to align the interests of each director with those of other security holders, and such holdings are therefore not discouraged.</p> <p>Mr Payne is a Director of Payne Geological Services Pty Ltd, a company which has provided various professional services to the Company within the last 3 years. The Board has assessed these professional services to not be material in nature and therefore do not interfere with Mr Payne's independence.</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
		(c) The length of service and of each current Director is as follows: <ul style="list-style-type: none"> <li>▪ Mr Peter Bowler (Non-Executive Chairman) 2-3 years</li> <li>▪ Mr Rob Watkins (Managing Director) 2-3 years</li> <li>▪ Mr Greg Barrett (Non-Executive Director) 1-2 years</li> <li>▪ Mr Paul Payne (Non-Executive Director) 5-6 years</li> </ul>
<p><b>Recommendation 2.4</b></p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	NO	<p>The Company's Board and Executive Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board has determined that two (2) of the four (4) Directors of the Company is not independent as defined under Recommendation 2.4.</p> <p>The Company considers that each of the directors possess the skill and experience suitable for building the Company. Although the Company does not currently have a majority of independent directors, the current composition of the Board is considered appropriate in the circumstances.</p> <p>It is the Board's intention to review its composition and independence on a continual basis and in line with recent as well as potential future changes to the Company's size and level of activities.</p>
<p><b>Recommendation 2.5</b></p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	<p>The Board and Executive Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Company's Chairman, Mr Peter Bowler is considered to be an independent director and does not fulfil the role of CEO. The Company therefore has complied with recommendation 2.5 of the Corporate Governance Principles and Recommendations.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new</p>	YES	<p>In accordance with the Company's Board and Executive Charter, the Nominations Committee (or, in its absence, the Board) is responsible</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
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.		for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
<i>Principle 3: Act ethically and responsibly</i>		
<b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.	YES	The Company articulates and discloses its values within the Company's Code of Conduct which is available on its website;  <a href="http://www.carnabyresources.com.au">www.carnabyresources.com.au</a>
<b>Recommendation 3.2</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. The Company's Corporate Code of Conduct is available on the Company's website;   <a href="http://www.carnabyresources.com.au">www.carnabyresources.com.au</a> </li> <li>(b) The Company views breaches of the Code as serious misconduct. If an Employee becomes aware of any breaches of the Code, they must report this to the Company Secretary immediately. The Company Secretary has the responsibility to report the breach to the Company's Executive Management and to advise of the outcome and / or actions implemented.</li> </ul>
<b>Recommendation 3.3</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that</li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The Company has adopted a Whistleblower Policy which can be found on the Company's website;   <a href="http://www.carnabyresources.com.au">www.carnabyresources.com.au</a> </li> <li>(b) The Company Secretary has the responsibility to report any material incidents reported under the policy to the Company's Executive Management and to advise of the outcome and / or actions</li> </ul>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
policy.		implemented.
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	YES	<p>(a) The Company addresses anti-bribery and corruption policy within its Code of Conduct which can be found on the Company's website;</p> <p><a href="http://www.carnabyresources.com.au">www.carnabyresources.com.au</a></p> <p>(b) The Company Secretary has the responsibility to report any material incidents reported under the policy to the Company's Executive Management and to advise of the outcome and / or actions implemented.</p>
<p><b>Principle 4: <i>Safeguard integrity in financial reporting</i></b></p>		
<p><b>Recommendation 4.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those</p>	YES	<p>(a) The Company does not have an Audit and Risk Committee. The Company's Audit and Risk Management Committee Charter provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair. The Audit and Risk Management Committee Charter is available on the Company's website.</p> <p>(b) The Company does not have an Audit and Risk Management Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board and Executive Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Management Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p>meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>and the rotation of the audit engagement partner:</p> <ul style="list-style-type: none"> <li>(i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</li> <li>(ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</li> </ul>
<p><b>Recommendation 4.2</b></p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit and Risk Management Committee Charter requires the Managing Director and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off in accordance with Recommendation 4.2.</p> <p>The Company intends to obtain a sign off for its financial statements in respect of each financial year.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>The Company ensures its compliance with ASX Listing Rules 5.22 and 5.23 which outline the required comprehensive involvement of a named competent person regarding the initial market announcement of exploration results, and the required cross-referencing of the initial market announcement in any subsequent public report that refers to those exploration results.</p> <p>Such compliance with the Listing Rules pertains to any periodic corporate report released by the Company.</p>
<p><i>Principle 5: Make timely and balanced disclosure</i></p>		

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>YES</p>	<p>The Company has a Continuous Disclosure Policy. This policy outlines the disclosure obligations of the Company and its subsidiaries as required under the Corporations Act 2001 (Cth) (the “Corporations Act”) and the ASX Listing Rules. This policy is designed to ensure that Carnaby complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules such that:</p> <ul style="list-style-type: none"> <li>▪ all investors have equal and timely access to material information; and</li> <li>▪ Carnaby announcements are factual and presented in a clear and balanced manner.</li> </ul> <p>All Company directors, officers and employees should observe the requirements set out in this policy.</p> <p>The purpose of the policy is to:</p> <ul style="list-style-type: none"> <li>▪ summarise the Company’s disclosure obligations in accordance with the Listing Rules and the Corporations Act 2011 (Cth);</li> <li>▪ explain what type of information needs to be disclosed;</li> <li>▪ identify who is responsible for disclosure; and</li> <li>▪ explain how individuals at the Company can contribute.</li> </ul> <p>The Company Secretary is responsible for ensuring disclosure of information to the ASX.</p> <p>The Company’s Continuous Disclosure Policy is available on the Company’s website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been</p>	<p>YES</p>	<p>It is the Company Secretary’s responsibility to provide the board, via electronic communication, a copy of all material market announcements promptly after they have been made.</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
made.		
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	YES	It is the Company Secretary's responsibility to provide the market with a copy of any presentation materials prior to conducting any new and substantive investor or analyst presentations.
<p><b>Principle 6: <i>Respect the rights of security holders</i></b></p>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its operations is located on the Company's website.</p> <p>Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) are located on the Company's website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	The Company respects the rights of its shareholders and is committed to communicating effectively with them. The Company's Continuous Disclosure Policy and a Shareholder Communications Policy are available on the Company's website.
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	YES	The Company's Shareholder Communication Policy sets out how the Company communicates with shareholders and the market effectively and is designed to promote a two-way dialogue. The Company's Shareholder Communications Policy is available on the Company's website.
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	NO	The Company will endeavour to ensure that all substantive resolutions at a meeting of security holders are decided by a poll. This alteration in Company policy will be put to shareholders for approval upon the next periodic revision of the Company's constitution.

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The Company welcomes electronic communications from its Shareholders via its publicised email address (<a href="mailto:info@carnabyresources.com.au">info@carnabyresources.com.au</a>) and encourages all shareholders to subscribe to the Company's electronic mailing list.</p> <p>Upon admission onto the Company's share register the Company's security registry provides shareholders with the option to receive communications from, and send communications to, the Company's security registry electronically including the Annual Report and Notice of Meeting and electronic voting.</p>
<i>Principle 7: Recognise and manage risk</i>		
<p><b>Recommendation 7.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it</p>	YES	<p>The Company does not have a separate Risk Management Committee. Given the current size of the Company and board, the directors believe there are no efficiencies in forming a separate committee and the board as a whole performs this role.</p> <p>However, the Company does have an Audit and Risk Management Committee Charter which is available on the Company's website.</p> <p>The Company does not have a single specific risk management policy, but rather, financial and operating risks are addressed through individual approved policies and procedures covering financial, contract management, safety and environmental activities of the company.</p> <p>The Company also engages an insurance broking firm as part of the company's annual assessment of the coverage for insured assets and risks. The results of all the various reviews and insurances are reported to the board at least annually.</p> <p>The integrity of Carnaby's financial reporting relies upon a sound system of risk management and control. The Managing Director and Chief Financial Officer (or if none, the person(s) fulfilling those functions) to ensure management accountability, are required to</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p>employs for overseeing the entity's risk management framework.</p>		<p>provide a statement in writing to the board that the financial reports of Carnaby are based upon a sound risk management policy.</p> <p>The Board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework 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>	PARTIALLY	<p>Reporting on Company risk management occurs on an ongoing basis and is reported to the Board of Directors (by the MD and CFO (if applicable)). Risk management workshops are not held, but business risk will be continually assessed by the Board in accordance with the Company's risk management and internal compliance and control policy.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and 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>	YES	<p>(a) The Audit and Risk Management Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) Company does not have an internal audit function. Due to its small size, lack of complexity and given that it is in a project exploration phase of its lifecycle, the Company does not currently have an in-house internal audit function. Instead reports and reviews into the effectiveness of internal controls are commissioned as required using internal and external specialist resources.</p> <p>It is expected that that the requirement for an internal audit function will be considered by the Board in the future.</p>
<p><b>Recommendation 7.4</b></p>		<p>The Audit and Risk Management Committee Charter requires the Audit</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<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>YES</p>	<p>and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company is required to 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. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>
<p><i>Principle 8: Remunerate fairly and responsibly</i></p>		
<p><b>Recommendation 8.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <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</p>	<p>YES</p>	<p>(a) The Company does not have a Remuneration Committee. The Company's has a Nomination and Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director. The Company's Nomination and Remuneration Committee Charter is available on the Company's website.</p> <p>(b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board and Executive Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Nomination and Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>The Board devotes time at an annual Board meeting to assess the level and composition of remuneration for Directors and senior</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
executives and ensuring that such remuneration is appropriate and not excessive.		executives.
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>	YES	The Company's policies and practices regarding the remuneration of executive and non-executive directors and other senior executives are disclosed in the Annual Report.
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company has established a Securities Trading Policy which outlines, among other things, when Directors, senior management and other employees of the Company may deal in the Company's securities. This policy also prohibits key management personnel from entering into certain hedging arrangements of the nature referred to in Recommendation 8.3.</p> <p>(b) The Securities Trading Policy is available on the Company website.</p>