

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

ALKANE RESOURCES LTD

ABN / ARBN

35 000 689 216

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: alkane.com.au/company/governance/

The Corporate Governance Statement is accurate and up to date as at 24 October 2018 and has been approved by the board.

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

Date: 24 October 2018

Name of Director or Secretary authorising lodgement: Dennis Wilkins, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ at alkane.com.au/company/governance/	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	A listed entity should: (a) have a diversity policy 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; (b) disclose that policy or a summary of it; and (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: (1) 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 (2) 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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☒ at alkane.com.au/company/governance/ ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at alkane.com.au/company/governance/ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at alkane.com.au/company/governance/ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	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.	... our code of conduct or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at alkane.com.au/company/governance	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (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: (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at alkane.com.au/company/governance ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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.	... our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at alkane.com.au/company/governance	☐ an explanation why that is so 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.	... information about us and our governance on our website: ☒ at alkane.com.au/company/governance	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☐ in our Corporate Governance Statement OR ☒ at http://www.alkane.com.au/index.php/corporate/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at alkane.com.au/company/governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at at [insert location] ... and a copy of the charter of the committee: ☒ at alkane.com.au/company/governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at the Directors Report in the 2018 Annual Report [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement



Corporate Governance Statement – 24 October 2018

Approach to Corporate Governance

Alkane Resources Ltd ACN 000 689 216 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition (**Principles & 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's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.alkane.com.au, under the section marked "Corporate Governance":

Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee

Policies and Procedures

- Policy and Procedure for the Selection and (Re)Appointment of Directors
- Process for Performance Evaluations
- Policy on Assessing the Independence of Directors
- Diversity Policy (summary)
- Code of Conduct (summary)
- Policy on Continuous Disclosure (summary)
- Compliance Procedures (summary)
- Procedure for the Selection, Appointment and Rotation of External Auditor
- Shareholder Communication and Investor Relations Policy
- Risk Management Policy (summary)
- Policy for Trading in Company Securities
- Induction Program

The Company reports below on whether it has followed each of the recommendations during the 2018 financial year (**Reporting Period**). The information in this statement is current at 24 October 2018. This statement was approved by a resolution of the Board on 24 October 2018.



Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, those matters expressly reserved to the Board and those delegated to management and has documented this in its *Board Charter*.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks which are undertaken, and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors*.

Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Managing Director, any of its directors, and any other person or entity who is related party of the Managing Director or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's *Board Charter*. The Company's Secretary's role is also outlined in the consultancy agreement between the Company Secretary and the Company.

Recommendation 1.5

The Company has a Diversity Policy, which includes requirements for the full Board in its capacity as the Nomination Committee to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them.

The Board has also adopted a Diversity Strategy, which details the Company's measurable objectives for achieving gender diversity in accordance with the Diversity Policy. The following table outlines the objectives that have been set by the Board, together with the Board's progress towards achieving them:

Measurable Objective	Progress towards achievement during Reporting Period
Structural/procedural	
Periodic review of Diversity Policy	Reviewed 20 June 2018.
Periodic review of Diversity Strategy	Reviewed 20 June 2018.
Assign responsibility for the Diversity Policy and its administration, monitoring and review	Responsibility for administration and monitoring of the Diversity falls within the Company Secretary's duties with review of the policy being the responsibility of the Board.
Initiatives and programs	
Review Policy and Procedure for Selection and (Re)Appointment of Directors and Board performance evaluation process	Reviewed 20 June 2018.
Succession planning to incorporate diversity issues	Succession planning remains an ongoing process on an informal basis. Equal opportunity is a higher priority, but special attention in regard to seeking female candidates for the Board.
Consider the inclusion of diversity issues in KPIs	Incorporation of diversity issues in the development of KPIs has not yet occurred. This remains a future dated consideration.
Develop HR policies and processes incorporating diversity issues	The development of policies and processes specifically incorporating diversity issues has not yet been achieved. Existing Company policies encourage gender equality and incorporate prohibitions on discrimination and harassment in the workplace and in recruitment practices.



Review workplace and cultural practices	Education and participation in cultural events is ongoing.
Ensure recruitment practices are compliant with Diversity Policy and Strategy	This remains an ongoing process.
Contribute to enhanced local workforce	On-the-job training is provided for positions at the Tomingley Gold Operations with plans for a similar approach when the Dubbo Project proceeds with proposals for participation in local vocational education programs in hand.
Provide opportunities for career development	The Company has continued to provide a number of employees with professional development opportunities including attendance at courses, payment of tuition fees, time off work for study purposes and assistance with research materials.
Consider provision of budget for formal career development program	The Company does not have an overarching budget or formal career development program, individual departmental budgets make provision for career development.
Specific diversity targets	
Increase the representation of women at Board level: ideally of the next two Board appointments at least one should be female with appropriate skills and attributes	There were no Board appointments during the Reporting Period, but candidates for new appointments were shortlisted for Board rejuvenation to occur post balance date. At least one female was on that shortlist.
Increase the representation of women at management level: ideally of the next two management appointments at least one should be a female with appropriate skills and attributes	There were no new manager role appointments during the Reporting Period.
Increase the representation of women at professional/technical level: ideally of the next two professional/technical appointments at least one should be a female with appropriate skills and attributes	Appointments are made in accordance with the growth and development of the Company. During the Reporting Period female participation at professional/technical level decreased.
In general, aim for and encourage the recruitment of at least 20% of new personnel to be female	

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the following table. “Senior executive” for these purposes refers to Key Management Personnel (excluding Board members):

Category	Total	Number of women	% women
Whole organisation (including Board and senior executives)	134	27	20
Board	5	0	0
Senior Executive positions (excluding Board)	3	0	0

Recommendation 1.6

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors.

During the Reporting Period an evaluation of the Board and its committees took place in accordance with the process disclosed in the Company’s *Process for Performance Evaluations*. In carrying out his evaluation the Chairman noted that objectively quantifiable KPIs do not apply in the case of non-executive directors and consequently he did not extend the 2018 annual Board evaluation to the performance of individual directors.

**Recommendation 1.7**

The Managing Director is responsible for evaluating the performance of senior executives.

The full Board in its capacity as the Nomination Committee is responsible for evaluating the Managing Director.

During the Reporting Period evaluations of senior executives and the Managing Director took place in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

Principle 2 – Structure the board to add value**Recommendation 2.1**

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Although the Board has not established a separate Nomination Committee, it has adopted a Nomination Committee Charter, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. Separate meetings of the full Board in its capacity as the Nomination Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Details of director attendance at meetings of the full Board, in its capacity as the Nomination Committee, during the Reporting Period, are set out in a table in the Directors' Report on page 29 of the Company's 2018 Annual Report.

Recommendation 2.2

The composition of the Board during the Reporting Period included directors with technical, operational, finance and broking and general business skills and experience. The Board believes that these skills have been adequate for the Company's status in the past, but that augmenting the Board with additional members would enhance diversity and the depth of experience and expertise required as the Dubbo Project is progressed and the Company matures.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations.

The independent directors of the Company during the Reporting Period were Gavin Smith and Anthony Lethlean and Ian Gandel (deemed independent by the Board until 20 June 2018). The former Chair, Mr Dunlop retired, from the Board on 31 August 2017 and Mr Smith was appointed to the Board on 29 November 2017.

During the Reporting Period, the Board undertook a review of the independence of each of its non-executive directors and resolved (in the absence of the relevant non-executive director) that notwithstanding their respective length of service of ten years or more, each non-executive director is considered to be independent.

Mr Gandel is a substantial shareholder (as defined in the Corporations Act 2001 (Cth)) of the Company. The Board considered Mr Gandel's interest as a substantial shareholder of the Company is consistent with that of other shareholders and that his shareholding does not cause potential for real conflict between his interests and the majority of the other shareholders of the Company nor affect his ability to exercise independent judgment. When considering the position on 20 June 2018 the Board adopted a contrary view in the interests of transparency and to err on the side of conservatism.

The length of service of each director is set out in the Directors' Report on pages 25-26 of the Company's 2018 Annual Report.



Recommendation 2.4

The Board did not have at all times during the reporting period a majority of directors who were independent. With the retirement of Mr Dunlop on 31 August 2017 the Board Structure was not in compliance with the Recommendations until 29 November 2017 with the appointment of Mr Smith to the Board. Similarly, upon the review of Mr Gandel's position on 20 June 2018 the majority of the Board are not independent.

Recommendation 2.5

The independent Chair of the Board during the Reporting Period was Ian Gandel (deemed independent by the Board - up until 20 June 2018 – refer comments in 2.3 above).

The Board has also appointed Mr Lethlean as senior independent director to:

- assume the role of Chair when the Chair is unable to act;
- assist the Board in reviewing the performance of the Chair and the Managing Director;
- participate in communication with shareholders and to provide a separate channel of communication for security holders (especially where those communications concern the Chair);
- coordinate the activities of the independent directors; and
- serve on, and as required chair, any regular or special committees of the Board.

Recommendation 2.6

The Company has an induction program that it uses when new directors join the Board and when new senior executives are appointed. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's *Induction Program* is disclosed on the Company's website.

The full Board in its capacity as the Nomination Committee regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the full Board in its capacity as the Nomination Committee considers what training or development should be undertaken to fill those gaps. In particular, the full Board in its capacity as the Nomination Committee ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements. Directors also receive ongoing education on developments in accounting standards.

Principle 3 – Act ethically and responsibly

Recommendation 3.1

The Company has established a Code of Conduct for its directors, senior executives and employees, which is disclosed on the Company's website.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

The Board has established an Audit Committee. The members of the Audit Committee during the Reporting Period were Mr Lethlean (Chair), Mr Smith and Mr Gandel, two of whom were independent non-executive directors. With the retirement of Mr Dunlop on 31 August 2017 the Audit Committee Structure was not in compliance with the Recommendations until 29 November 2017 with the appointment of Mr Smith to the Board and as a member of the Audit Committee. The review of Mr Gandel's independency on 20 June 2018 (refer 2.3 above) resulted in a further departure from this recommendation.

The Company has also established a Procedure for the Selection, Appointment and Rotation of its External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.



Details of director attendance at Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 29 of the Company's 2018 Annual Report.

The Board has adopted an Audit Committee Charter which describes the Audit Committee's role, composition, functions and responsibilities.

Recommendation 4.2

Before the Board approved the Company financial statements for the half year ended 31 December 2017 and the full-year ended 30 June 2018 and each of the quarters ending 30 September 2017, 31 December 2017, 31 March 2018 and 30 June 2018, it received from the Managing Director and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company advises the Company's auditor of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

A representative of the Company's auditor, Pricewaterhouse Coopers, attended the Company's annual general meeting held on 29 November 2017.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Company's *Policy on Continuous Disclosure* and *Compliance Procedures* are disclosed on the Company's website.

Principle 6 – Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.alkane.com.au as set out in its *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.3

The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically.



The Company's contact email address (info@alkane.com.au) is published on the website. The website also provides a "contact us" facility, a subscription facility for Company updates and a link to the share registry's website from which shareholders can download a range of relevant forms. Shareholders can register with the share registry to access their personal information and shareholding details via the internet.

Principle 7 – Recognise and manage risk

Recommendation 7.1

The Board has established a Risk Management Committee which is not structured in compliance with Recommendation 7.1. During the Reporting Period only two of its members were on the Board. In forming the Risk Management Committee, the Board considered a committee comprised of the persons tasked with management of the principal areas of responsibility within the Company, chaired by the independent Chairman of the Board, to be a more valuable tool in assisting the Board in its overall management of risk.

The members of the Risk Management Committee up to 31 August 2017 were the (then) Chair, the (then) Managing Director, the General Manager NSW, the Chief Geologist, the Commercial Manager, the Operations Manager - Tomingley Gold Operations, the (then) Chief Operating Officer and the Chief Financial Officer. From 1 September 2017 the members were non-executive Director, Mr Lethlean, the Managing Director, the General Manager NSW, the Commercial Manager, the Tomingley Gold Operations Site Safety and Training Manager, and the Chief Financial Officer. With the resignation of the Chief Financial Officer in June 2018 the Committee was re-constituted with the then remaining members pending the appointment of a replacement Chief Financial Officer.

The committee extends an open invitation to all other Directors to attend meetings of the Risk Management Committee as observers.

The Board has adopted a Risk Management Committee Charter which describes the Risk Management Committee's role, composition, functions and responsibilities.

During the Reporting Period there were four meetings of the Risk Management Committee. All members (as constituted at the dates of the meetings) were present for each meeting except for the Commercial Manager who missed one meeting due to other business travel commitments.

Recommendation 7.2

The Risk Management Committee reviews the Company's risk management framework quarterly to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Risk Management Committee carried out these reviews during the Reporting Period.

Recommendation 7.3

The Company does not have an internal audit function. The Audit Committee is tasked with overseeing the evaluation and improvement of the effectiveness of the Company's risk management and internal control processes. The Audit Committee reviews the Company's policies and procedures to assess, monitor and manage financial risks; liaises with management and the external auditors; and monitors the management of material business risks through interaction with management and the Risk Management Committee. Periodically management commissions external consultants to perform diagnostics and reviews of internal controls and IT maturity and cyber security.

Recommendation 7.4

The Company operates in the mineral resources sector and is subject to a variety of risks that have the potential to have a material impact on the economic, environmental and social sustainability of its business. These risks include, but are not limited to:

- Economic sustainability risks

Commodity price and exchange rate fluctuations

Currently the Company's revenues are generated from the sale of gold and therefore it is exposed to fluctuations in the Australian dollar gold price. The Company has a financial risk management program in



place using derivative instruments, which include but may not be limited to Australian denominated gold forward contracts. The program is administered by a Treasury Committee chaired by the chairman of the Audit Committee and routine reports on the hedgebook are provided to the Board.

Risk minimisation for future sales of the critical metals and associated products from the Company's Dubbo Project includes negotiation of strategic supply and off-take agreements. The diversity of the proposed product stream from the project also contributes to mitigating revenue risks.

Operational and project execution risks

Operational risks such as unanticipated operational and technical difficulties encountered in exploration, development and production activities including adverse weather conditions, mechanical failures, industrial or environmental accidents, industrial disputes, unexpected supply shortages, etc. are managed through a comprehensive framework for management of those risks incorporating planning and reporting processes.

Project execution risks for the Dubbo Project are monitored and managed through a rigorous project execution plan, conservative modelling, a strict strategy for contract management and the engagement of appropriately qualified and experienced consultants.

Funding risks

Access to adequate project financing for the Dubbo Project on commercially acceptable terms is a significant area of risk for the Company. Risk management includes the engagement of experienced corporate and financial advisors; rigorous financial modelling, budgeting and planning; maintenance of ongoing lines of communications with potential sources of finance including off-take partners, international export credit agencies and other investors.

- **Environmental sustainability risks**

As with most resources projects, the Company's activities have the potential to impact on the environment giving rise to substantial costs for environmental rehabilitation, damage, control and losses. Exploration, development and operational activities are subject to State and Federal laws and regulations concerning the environment. The Company strives to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. In achieving its aim of maintaining stable functioning ecosystems in the environs of its activities, the Company uses careful design; creation of biodiversity offsets; progressive rehabilitation; and rigorous monitoring, management and report plans.

- **Social sustainability risks**

The Company strives to retain its social licence to operate and to minimise reputational and social sustainability risks by maintaining a stakeholder engagement strategy which includes supporting the development of more resilient regional communities, dedicated environmental and community liaison officers, communications forums and information dissemination. Failure to adequately manage community relations may have the potential to interfere with or disrupt the Company's operations.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1

The Board has established a Remuneration Committee. The Remuneration Committee comprised non-executive directors, Messrs Smith, Lethlean and Gandel, of which Messrs Smith and Lethlean are considered independent for the whole for the reporting period and Mr Gandel for most of, but not all (refer to 2.3 above).

With the retirement of Mr Dunlop on 31 August 2017 the Remuneration Committee Structure was not in compliance with the Recommendations until 29 November 2017 with the appointment of Mr Smith to the Board and as a member of the Remuneration Committee. The review of Mr Gandel's independency on 20 June 2018 (refer 2.3 above) resulted in a further departure from this recommendation.



The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

Recommendation 8.2

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report and commences at page 29 of the Company's 2018 Annual Report. This disclosure includes a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Securities Trading Policy includes a provision prohibiting participants entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration plans.