

RAGUSA MINERALS LIMITED
ACN 143 194 165
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 28 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 has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th edition) (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Pack 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 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 policies and procedures are available on the Company's website at <https://www.ragusaminerals.com.au/corporate-governance/>.

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>			
Recommendation 1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Company has adopted a Board Charter (which forms part of the Corporate Governance Pack that is available on the website of the Company) 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. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the conduct of Board meetings, the roles and responsibilities of the Chairman, the CEO/Managing Director (if any) and the 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.

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Recommendation 1.2	<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 in its Corporate Governance Pack. The Company's Board Charter and the Remuneration and Nomination Committee Charter (both contained in the Company's Corporate Governance Pack) requires appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. The Board Charter further provides that prospective Directors will be requested to provide the Company with a consent to undertaking background and other checks.</p> <p>(b) Under the Board Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
Recommendation 1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has entered into written agreements with each of its Directors that set out the terms of their appointment. The Company does not have any senior executive(s).
Recommendation 1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board 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.
Recommendation 1.5	<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>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards</p>	Partially	<p>(a) The Company has adopted a diversity policy (which forms part of the Corporate Governance Pack that is available on the website of the Company) which provides the framework for the Company to establish and achieve diversity objectives, including in respect of gender diversity. The diversity policy includes the Board setting measurable diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving its diversity objectives. The diversity policy is contained within the Company's corporate governance pack.</p> <p>(b) The Board did not set measurable diversity objectives for the current reporting period because, in the view of the Board, the size and scale of the operations of the Company are such that it is not anticipated that the Company will engage additional staff, or replace its existing staff (comprised of the Board) in the short term, in such a manner that will allow it to achieve any measurable objectives set. If, in future, it became necessary for the</p>

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	<p>achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>Company to appoint additional staff (including Directors and 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 roles will, given the small size of the Company and its operations, unduly limit the Company from applying the diversity policy as a whole and the Company’s policy of appointing personnel on the basis of skills and merit.</p> <p>(c) As noted above, the Company has not set any measurable objectives for achieving gender diversity in the current reporting period. The Company has 33% female Board representation and the Company does not have any current senior executives. The Company Secretary is female, Melanie Ross.</p>
<p>Recommendation 1.6</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>	<p>No</p>	<p>The Board Charter sets out that the Board will adopt a process for evaluating the Board, its committees and individual Directors, however as at the date of this Statement no such formal evaluation process has been adopted. It is proposed that such a process will be adopted by the Company prior to the end of the reporting period and that performance evaluations will be conducted in this reporting period in accordance with the Board Charter.</p>
<p>Recommendation 1.7</p>	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>No</p>	<p>The Company does not have any senior executives. Notwithstanding this position, the performance of senior executives shall be monitored and evaluation by the Board having regard to the strategies and budgets of the Company as set out by the Board. If the Company appoints a senior executive prior to the end of the reporting period, it would be proposed that that performance evaluations of the senior executive will be conducted in this reporting period in accordance with the Board Charter.</p>

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Principle 2: Structure the Board to add value			
Recommendation 2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ol style="list-style-type: none"> (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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Company does not have a Nomination Committee as the Board does not consider the Company would benefit from its establishment. In accordance with the Company's Remuneration and Nomination Committee Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter, which contains processes to address succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>
Recommendation 2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	No	<p>The Company does not comply with this recommendation.</p> <p>Although the Company seeks to employ directors with a broad range of skills and experience, a formal skills matrix for directors (both existing and future proposed) has not been adopted.</p> <p>The Company will seek to adopt a board skills matrix as part of its corporate governance update in the coming months.</p> <p>The board skills matrix will be released on the website of the Company following adoption.</p>
Recommendation 2.3	<p>A listed entity should disclose:</p>	Yes	<p>Olaf Sven Frederickson is currently considered to be an independent Director.</p>

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	<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, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		<p>The Chairman, Jerko Peter Zuvela, and Non-Executive Director Melanie Ross are not considered to be independent by the Board.</p> <p>The length of service of Directors is set out in each annual report of the Company.</p>
Recommendation 2.4	A majority of the board of a listed entity should be independent directors.	No	The Company does not comply with this recommendation as one third of the Board is considered to be independent.
Recommendation 2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Company does not comply with this recommendation following the appointment of Mr Zuvela as a Director and Chair. The Company has not appointed a CEO for the Company at this time. In the short to medium term, given the size of the Company, the Board does not consider it necessary to appoint an independent chair. The Company will periodically review this position and may, in the future, seek to appoint an independent chair where it deems such appointment appropriate given the size and stage of development of the Company.
Recommendation 2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>The Board Charter sets out an extensive induction process for new Directors which are to be facilitated by the Company Secretary.</p> <p>The Board Charter sets out a commitment to the professional development of the Directors including a review of whether there is a need for professional development for Directors to perform their role effectively, including a process for approval of any courses sought to be completed by Directors for this purpose.</p>

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Principle 3: Act ethically and responsibly			
Recommendation 3.1	A listed entity should articulate and disclose its values.	Yes	The Company has adopted a statement of values which is available on its website.
Recommendation 3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	(a) The Company's Code of Conduct applies to the Company's Directors, senior executives and employees that is available on its website. (b) The Code of Conduct provides for breaches being reported to the Company Secretary who shall report such breaches directly to the Board.
Recommendation 3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	(a) The Company has adopted a whistleblower policy that is available on its website. (b) Breaches of the whistleblower policy are to be reported to the Company secretary who shall be responsible, subject to compliance with the terms of the whistleblower policy, for reporting the breach directly to the Board.
Recommendation 3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Yes	(a) The Company has adopted an anti-bribery and corruption policy that forms part of the Corporate Governance Pack that is available on the website of the Company. (b) Breaches of the anti-bribery and corruption policy are to be reported to the Company secretary who shall be responsible for reporting the breach directly to the Board.
Principle 4: Safeguard the integrity of Corporate Reports			
Recommendation 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:	No	The Company does not have an Audit and Risk Committee as the Board does not consider that the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (a) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the arrangements with external auditors; and

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	<p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>(b) 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. All corporate reports are required to be signed off on by the entire Board.</p>
Recommendation 4.2	<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, 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.</p>	Yes	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p>
Recommendation 4.3	<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>Periodic financial or other reports released in or for a particular financial period which are not audited or reviewed by the external auditor are to be peer-reviewed internally and signed off on by the CFO (or the person(s) fulfilling that role, if any) and the Board prior to release (including release as an announcement to ASX).</p>

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<i>Principle 5: Make Timely and Balanced Disclosure</i>			
Recommendation 5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has adopted a Communication and Disclosure Policy that contains its policy for complying with its continuous disclosure obligations under listing rule 3.1. The Communication and Disclosure Policy forms part of the Corporate Governance Pack that is available on the website of the Company.
Recommendation 5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company Secretary circulates all market announcements to the Board immediately prior to, or shortly after, release to ASX in accordance with the Board Charter and the Communication and Disclosure Policy.
Recommendation 5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company Secretary is responsible for releasing presentation materials to ASX ahead of the presentation occurring.
<i>Principle 6: Respect the Rights of Security Holders</i>			
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The corporate governance policies and procedures, including the periodic corporate governance statements, are available on the website of the Company.
Recommendation 6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Communication and Disclosure Policy sets out the investor relations program of the Company that is proposed to facilitate effective two-way communication with investors.
Recommendation 6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Board Charter sets out how shareholders are encouraged to participate in meetings. The Communication and Disclosure Policy also provides for shareholder meetings being structured to provide effective communication to shareholders and allow the reasonable opportunity for shareholder participation, including to ask questions (including of the external auditor at the AGM).
Recommendation 6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	As set out in the Board Charter, all substantive resolutions are to be determined by way of a poll rather than by a show of hands.
Recommendation 6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	As set out in the Communication and Disclosure Policy, shareholders are given the option to send and receive communications from the Company and its registry by electronic means.

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Principle 7: Recognise and Manage Risk			
Recommendation 7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>The Company does not have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
Recommendation 7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Partially	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>(b) As at this stage of the reporting period, the Board has not reviewed the Company's risk management framework, however such a review will be undertaken during this reporting period.</p>
Recommendation 7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it</p>	Yes	<p>The Company does not have an internal audit function. The Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p>

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	<p>performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>		<p>(a) the Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;</p> <p>(b) the Board periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and</p> <p>(c) The Board reviews risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function.</p>
Recommendation 7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Charter requires the Company to disclose whether it has any material exposure to environmental and 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 for this reporting period as part of its continuous disclosure obligations.</p>
Principle 8: Remunerate Fairly and Responsibly			
Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (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 <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and</p>	No	<p>The Company does not have a Remuneration and Nomination Committee as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Corporate Governance Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter. The Board devotes time at least annually at a Board meeting to assess the level and composition of remuneration for Directors and senior executives to ensure remuneration is appropriate and not excessive.</p>

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	ensuring that such remuneration is appropriate and not excessive.		
Recommendation 8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company's Corporate Governance Pack requires the Board to separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and senior executives. This information is contained within the Remuneration Report of the Annual Report.
Recommendation 8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	The Company does not have an equity based remuneration scheme, however the Company's Corporate Governance Pack (notably the Remuneration and Nomination Committee Charter) provide for guiding principles if the Company were to adopt such a scheme.