



ACN 100 796 754

Corporate Governance Statement

The Board and management of Red River Resources Limited are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (Recommendations) to the extent appropriate for the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (Corporate Governance Statement).

The Corporate Governance Statement is accurate and up to date as at 26 August 2021 and has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4 the Corporate Governance Statement is available for review on the Company's website (www.redriverresources.com.au) and will be lodged together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.redriverresources.com.au).

Principle 1: Lay solid foundations for management and oversight

1.1 Role and Responsibility of the Board and Management

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board delegates to the Managing Director and executive team responsibility for the operation and administration of the consolidated entity.

A copy of the Company's Board Charter, which sets out the role and responsibilities of the Board is available on the Company's website in the Corporate Governance section.



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1.2 - 1.3 Director Appointment and Election

The Nomination and Remuneration Committee was formed during the 2016 financial year and will perform appropriate checks on the candidates for the Board including checks as to the candidate's character, experience, education, criminal record and bankruptcy history. Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.

The Company will continue to provide information to shareholders about Directors seeking re-election or a candidate seeking election to the Board, including their relevant qualifications, experience and skills as well as details of any other listed directorships held in the preceding 3 years, whether the Director is considered to be independent and a recommendation by the Board in respect of the re-election or election as a Director.

Each Director will be given a letter upon his or her appointment which outlines the Directors duties, obligations, remuneration, expected time commitments and notification of the Company's policies.

Senior executives including the Managing Director have a formal services agreement setting out the terms of their employment.

1.4 Company Secretary

The Company Secretary is responsible for co-ordination of all Board business, including board calendar, agendas, board papers, minutes, communications with regulatory bodies, ASX, ASIC and all other statutory and other filings. The Company Secretary is accountable to the Board and all Directors have access to the Company Secretary. The decision to appoint or remove the company secretary is made by the Board.

1.5 Diversity Policy

The Board has introduced a formal diversity policy and is measuring against the Policy, however as yet has not set any hard targets for diversification. The Board will continue to monitor the effectiveness of its current policy and will review as and when needed. The Company currently has 21 female employees, representing 15.00% of all Company employees.

1.6 - 1.7 Performance Assessment

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the Company grows and increases in

size and activity, the Board will establish formal Board and individual director evaluation processes.

During the 2021 financial year, the Nomination and Remuneration Committee continued to monitor managements performance and executive remuneration in conjunction with the previously implemented company wide plan which included short-term and long-term incentives which are to be measured against a discrete list of key performance indicators. Shareholders approved the current Performance Rights Plan Hurdles at the 2020 General Meeting held in November 2020.

The Board review and set STI and LTI hurdles yearly based on a review the past and expected future performance of the business. The LTI hurdles are disclosed in the Annual Report each year and are tabled in the Annual General Meeting Notice of Meeting document, which is provided to shareholders each year.

As the Company moves towards the next stage of growth of the Thalanga operations and after finalising the long term plan for Hillgrove, it's anticipated that the Board will complete its skills review and develop a matrix for training and assessment.

Principle 2: Structure of the Board to be effective and add value

2.1 Nomination Committee

During the 2021 financial year the Company had a Nomination & Remuneration Committee. The Nomination & Remuneration Committee comprised of independent non-executive Directors (being, Mr. Mark Hanlon and Mr. Brett Fletcher) and was chaired by Mr. Fletcher who is an independent Director. The charter of the committee is disclosed on the Company's website in the Corporate Governance section. Since the resignation of Mr. Black (in August 2018), the committee have not appointed a new non-executive director committee member due to the size of the Company board. With the appointment of Mr. Ian Smith as a non-executive director of the Company, the nomination committee will revert back to three non-executive members.

The Company complies with Principle 2.1(a) in all other material respects.

Details of the number of times the committee met throughout the period and the individual attendances of the members at those meetings are disclosed in the Directors' Report. Where necessary, the Board seeks advice of external advisors in connection with the suitability of applicants for Board membership.

2.2 Skills Matrix

While no formal documented skills matrix has been completed, via the review of prospective directors, the Board has established a diverse skills base across its members including, corporate finance, capital raising, operations, exploration, ASX listed companies, commercial and policies and procedures as well as other areas of business.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the financial report and their term of office are detailed in the Directors Report of the 2021 Annual Report.

2.3 - 2.6 Composition of the Board

Details of the Board of Directors, their appointment dates, and independence status are as follows:

Name of Director	Position	Independence Status	Tenure
Mr. Brett Fletcher	Non-executive Director and Non-executive Chairman	Independent	1/05/2015 – current
Mr. Mel Palancian	Managing Director	Non independent	17/10/2014 - current
Mr. Donald Garner	Executive Director	Non independent	31/03/2014 – 22/04/2021
Mr. Ian Smith	Non-executive Director	Independent	22/04/2021 – current
Mr. Mark Hanlon	Non-executive Director	Independent	01/10/2015 - current

With the exception of Mr. Mel Palancian (Managing Director) as a full time executive, each of the other current Directors are considered to be independent within the criteria described in Box 2.3. Former director, Mr. Donald Garner (resigned 20/04/2021), was also an executive director of the Company.

The chair of the Board is an independent Director and is not the CEO of the Company.

The Company has policies and procedures in place to assist Directors in fulfilling their responsibilities. When Directors join the Board, they undertake a comprehensive induction program, which includes information on the Company's core values, strategy, objectives, as well as its governance framework and operations. New Directors also meet with senior management to gain a better appreciation of the Company's operations and capabilities. The Board receives ongoing governance updates as required, including in relation to recent legislation and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on the Company's operations and the Company's senior management. The Company provides the capacity for any Director to obtain separate professional advice on any matter being discussed by the board and for the Company to pay the cost incurred.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

3.1 - 3.2 Company Values and Code of Conduct

The Board has drawn up a formal Code of Conduct to guide Board members, executives and employees in carrying out their duties and responsibilities, to guide compliance with legal and other obligations and to maintain confidence in the Company's integrity. The Code of Conduct sets out the Company's Values of acting with respect, action and results. Executives and employees are encouraged to report to Board members any concerns regarding potentially unethical practices.

The code of conduct is disclosed on the Company's website in the Corporate Governance section.

3.3 Whistle-blower Policy

The Company is in the process of setting up a Whistle-blower Policy, including the introduction of an anonymous 'hotline'. Once the Policy has been enacted it will be uploaded to the Company website.

3.4 Anti-bribery and Corruption Policy

The Company is considering the introduction of an Anti-bribery and Corruption Policy and what it should encompass. Once the Policy has been enacted it will be uploaded to the Company website.



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Principle 4: Safeguard the integrity of corporate reports

4.1 Audit Committee

The Board has established an Audit & Risk Committee which plays a key role in assisting the Board of Directors with its responsibilities relating to accounting, developing internal control systems, reporting practices and risk management and ensuring the independence of the Company's auditors. The Company's Audit & Risk Committee consists predominately of independent non-executive Directors and has an independent chair, who is not the chair of the Board.

The Company's Audit & Risk Committee comprises of independent non-executive Directors (being, Mr. Mark Hanlon and Mr. Brett Fletcher). The Audit & Risk Committee was chaired by Mr. Hanlon who is an independent Director. The charter of the committee is disclosed on the Company's website in the Corporate Governance section. Since the resignation of Mr. Black (in August 2018), the committee has appointed Mr. Ian Smith as a new member of the Committee.

The Company complies with Principle 4.1(a) in all other material respects.

All Audit & Risk Committee members have extensive business experience at Board level and in senior management positions.

Meetings of the Committee are held a minimum of twice a year, represented by one meeting to review each of the full and half year financial reports and make recommendation to the Board. Further meetings may be held for discussion on policies and procedures and risk management matters. The auditors of the Company will also be invited to make recommendations to the Committee on policies and procedures for discussion. Audit & Risk Committee meetings are attended by the accounting firm audit partner responsible for the Company's audit. For details of meetings of the Audit & Risk Committee held during the year and attendance of those meetings, refer to the Directors' Report.

4.2 Financial Reporting

The Board confirms that it receives, before it approves the Company's financial statements for a financial period, written confirmation from the Managing Director and Chief Financial Officer 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.

4.3 Periodic Corporate Reports

The Board receives a copy of all ASX announcements in addition to the confirmation of their release. The Board receives as part of its monthly reporting pack, financials of the business, which predominantly form the basis for any periodic corporate reports (i.e. the 5B).

External auditor

The external auditor is required to attend the Annual General Meeting of the Company and is available to answer shareholder questions about the conduct of the audit and the preparation and consent of the auditors' report.

Principle 5: Make timely and balanced disclosure

5.1 Continuous disclosure

The Company's Continuous Disclosure Policy is designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by the Company. Additionally, the Company is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act 2001. In this regard, as at 30 June 2021 the Company has ensured that all shareholders and the market have had equal opportunity to obtain and review full information about the Company's securities.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website in the Corporate Governance section.

5.2 Market announcements

The Board receives a copy of all ASX announcements in addition to the confirmation of their release.

5.3 Investor or analyst presentations

All substantive investor or analyst presentations are released to the ASX Markets Platform ahead of the presentation.

Principle 6: Respect the rights of security holders

6.1 Governance

The Board informs shareholders of all major developments affecting the Company as follows:

- placing all announcements made to the market by providing a link from the Company's website to the ASX Company Announcements Platform;
- publishing all corporate governance policies and charters adopted by the Board on the Company's website; and
- placing the full text of notices of meeting and explanatory material on the Company's website.

The Company's communication strategy, which is governed by the Company's Code of Conduct Policy, is to promote effective communication with shareholders. During the financial year ended 30 June 2021, the Company has:

- provided shareholders and the financial markets with full and timely information about the Company's activities in a balanced and understandable way;
- complied with the continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act 2001.; and
- communicated effectively with its shareholders and made it easier for shareholders to communicate with the Company by electronic means.

6.2 Shareholder Participation and Correspondence

The Board encourages full participation of shareholders at the Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategy and goals.

The 2021 Notice of Meeting for the 2021 AGM will be provided to all shareholders and made available on the Company's website.

The external auditor is required to attend the Annual General Meeting of the Company and is available to answer Shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

6.3 Shareholder participation

Shareholders are able to communicate with the Company electronically and ask questions via the Company's website or by emailing the company secretary. Investors

are also able to the communicate with the Company's share registry electronically, by emailing the share registry or via the share registry's website.

Shareholders are provided with the opportunity to mix with the Board and senior staff at meetings of security holders (when held in person) and are invited to ask questions before each resolution is put to shareholder to vote.

6.4 Security holder meetings

During the 2021 annual general meeting, shareholders were invited to vote via a poll rather than by a show of hands.

6.5 Share registry communication

Investors are also able to the communicate with the Company's share registry electronically, by emailing the share registry or via the share registry's website.

Principle 7: Recognise and manage risk

7.1 Risk Committee

The Audit & Risk Committee is responsible for ensuring that adverse risk and mitigation of those risks are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Audit & Risk Committee and the Board of Directors.

The Company's Audit & Risk Committee comprises of independent non-executive Directors (being, Mr. Mark Hanlon and Mr. Brett Fletcher). The Audit & Risk Committee was chaired by Mr. Hanlon who is an independent Director. The charter of the committee is disclosed on the Company's website in the Corporate Governance section. Since the resignation of Mr. Black (in August 2018), the committee has appointed Mr. Ian Smith as a new member of the Committee.

The Company complies with Principle 4.1(a) in all other material respects.

Details of the number of times the Audit & Risk Committee met throughout the year ended 30 June 2021 and the individual attendances of the members at those meetings are disclosed in the Directors' Report. The Audit & Risk Committee is in the process of updating the Risk Management Policy, however a copy of the existing policy is available on the Company's website in the Corporate Governance section.

7.2 Risk management framework

Management completed a detailed risk assessment of the Company's operation, procedures and processes as part of the preparation of works for the re-start of the Thalanga Mill and has updated and implemented new Policies and Procedures as part of this process. Subsequently during 2019 financial year the Company commissioned an independent OH&S audit which resulted in a series of recommendations which have been implemented during the 2020 and 2021 years.

7.3 Internal audit

The Company currently does not have an internal audit function. Management reviews the Company's major business units, organisation structure and accounting controls and processes on a regular basis and reports accordingly to the Board. The Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risk re being effectively managed. The Company's risk management processes are monitored and reported against on an ongoing basis.

7.4 Environmental and Social Risks

The Company's operations are subject to the significant regulations under Commonwealth and State legislation. The Directors believe that the Company has adequate system in place for the management of its economic, environmental and social sustainability risk as they apply to the Company.

So far as the directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration or development licences.

Greenhouse Gas and Energy data reporting requirements

The Company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result. The National Pollutant Inventory (NPI) requires the company to report its annual substance emissions and energy use.

Each year the Company completes the necessary filings with NPI, with the 2021 filing due by 30 September 2021. The Company will continue to monitor its annual substance emission and energy use and file future reports as required.

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration Committee

The Company has a Nomination & Remuneration Committee which is responsible for:

- determining and reviewing compensation arrangements for the Directors, the Managing Director and Executive Directors; and
- approving parameters within which the review of the compensation arrangements for their senior executive team can be conducted by the Managing Director.

The Nomination & Remuneration Committee

During the 2021 financial year the Company had a Nomination & Remuneration Committee. The Nomination & Remuneration Committee comprised of independent non-executive Directors (being, Mr. Mark Hanlon and Mr. Brett Fletcher) and was chaired by Mr. Fletcher who is an independent Director. The charter of the committee is disclosed on the Company's website in the Corporate Governance section. Since the resignation of Mr. Black (in August 2018), the committee have not appointed a new non-executive director committee member due to the size of the Company board. With the appointment of Mr. Ian Smith as a non-executive director of the Company, the nomination committee will revert back to three non-executive members.

The Company complies with Principle 8.1(a) in all other material respects.

Details of the number of times the committee met throughout the period and the individual attendances of the members at those meetings are disclosed in the Directors' Report.

8.2 Remuneration

Details of Directors' and key management personnel remuneration for the year ended 30 June 2021 are set out in the Remuneration Report (contained in the 2021 Annual Report).

The structure of non-executive Directors' remuneration is distinct from that of executives and is detailed in the Remuneration Report (contained in the 2021 Annual Report).

The Company has a Executive Remuneration Policy as well as an Equity-based Remuneration Scheme.



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8.3 Equity based remuneration

The Company has a Executive Remuneration Policy as well as an Equity-based Remuneration Scheme where performance hurdles are reviewed each year by the board. The performance hurdles of the scheme are provided to shareholders as part of the Notice of Annual General Meeting document and are also disclosed in the 2021 Annual Report.

While no formal policy document has been drafted, the Board have advised that no participants to the Performance Rights Plan are permitted to enter into the use of derivatives or otherwise to limit the economic risk of participating in the scheme.