

CORPORATE GOVERNANCE STATEMENT FOR FINANCIAL YEAR ENDED 30 JUNE 2023

The Board of Directors of Cazaly Resources Limited ('Cazaly' or 'the Company') is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of Cazaly on behalf of the shareholders by whom they are elected and to whom they are accountable.

Cazaly has adopted policies, procedures, and practices as tools to support the Board's strong belief in good corporate governance. Commensurate with the spirit of the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council ('Council'), 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" regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the financial year ended 30 June 2023 (Reporting Period).

This Corporate Governance Statement has been approved by the Board of Cazaly. This Policy will be reviewed by the Board on an annual basis.

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| Principle 1: Lay solid foundations for management and oversight | |
| Recommendation 1.1 | <p>The Company has established the functions reserved for the Board, and those delegated to senior executives and has set out these functions in its Board Charter. The Company's Board Charter can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Board-Charter-2023.pdf</p> <p>The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.</p> |
| Recommendations 1.2, 1.3 and 1.4 | <p>In determining candidates for the Board, Board members follow a process whereby they evaluate the mix of skills, experience and expertise of the existing Board and identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent</p> |

| PRINCIPLES & RECOMMENDATIONS | COMMENT | | | | | | | | | | | | | | | | | | | | | | | | |
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| | <p>directors. Potential candidates are identified and, if relevant, will be recommended to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.</p> <p>All potential senior executive candidates are thoroughly background checked during the recruitment process.</p> <p>All Directors and officers of the Company have appointment contracts. The financial and other remuneration details of Directors and officers are disclosed in the Directors Report of each annual report.</p> <p>The Company Secretary is charged with facilitating the Company’s corporate governance processes and shares primary responsibility, along with the Managing Director, for ensuring that the Board processes and procedures run efficiently and effectively.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 1.5</p> | <p>The Company recognises and values the competitive benefits and advantages that diversity can bring to an organisation and actively supports, encourages, and acknowledges diversity as a means of enhancing and enriching the Company’s performance and standing by utilising the various skills, experiences and perspectives of its directors, officers, employees, consultants and contractors</p> <p>The Company treats all its personnel fairly and equally regardless of their gender, sexuality, marital status, cultural background, ethnicity, language, political or religious beliefs, disability, or age.</p> <p>The Company ensures that all its personnel have access to a safe work environment that is free from harassment, discrimination, bullying and victimisation.</p> <p>The Company has established a Diversity Policy, a copy of which can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Diversity-Policy-2023.pdf</p> <p>The proportion of women engaged by the Company is set out below:</p> <table border="1" data-bbox="480 1384 1353 1574"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2023</th> <th colspan="2">2022</th> </tr> <tr> <th>No.</th> <th>%</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women on CAZ Board</td> <td>1</td> <td>25%</td> <td>1</td> <td>25%</td> </tr> <tr> <td>Women in CAZ management roles</td> <td>1</td> <td>33%</td> <td>1</td> <td>33%</td> </tr> <tr> <td>Women in workforce (full time)</td> <td>3</td> <td>60%</td> <td>3</td> <td>50%</td> </tr> </tbody> </table> | | 2023 | | 2022 | | No. | % | No. | % | Women on CAZ Board | 1 | 25% | 1 | 25% | Women in CAZ management roles | 1 | 33% | 1 | 33% | Women in workforce (full time) | 3 | 60% | 3 | 50% |
| | 2023 | | 2022 | | | | | | | | | | | | | | | | | | | | | | |
| | No. | % | No. | % | | | | | | | | | | | | | | | | | | | | | |
| Women on CAZ Board | 1 | 25% | 1 | 25% | | | | | | | | | | | | | | | | | | | | | |
| Women in CAZ management roles | 1 | 33% | 1 | 33% | | | | | | | | | | | | | | | | | | | | | |
| Women in workforce (full time) | 3 | 60% | 3 | 50% | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendations 1.6 & 1.7</p> | <p>The Board undertakes an informal annual review of its own performance with external advice as appropriate. The evaluation of the Managing Director is undertaken via an informal interview and appraisal process which occurs at least annually, at the Board’s discretion. This process was undertaken during the Reporting Period.</p> <p>The Managing Director is responsible for evaluating the performance of senior management. The evaluation of senior management is undertaken via an informal interview and appraisal process which occurs at least annually and otherwise takes place as part of the company wide annual salary review. This process was undertaken during the Reporting Period.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| Principle 2: Structure the Board to be effective and add value | |
| Recommendation 2.1 | <p>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. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of the nomination committee by ensuring that any Director with conflicting interests is not party to the relevant discussions.</p> |
| Recommendation 2.2 | <p>The Company has a Board skills matrix in place and complies with Recommendation 2.2. It also discloses the skills and expertise of its individual Directors on its website and in the Directors Report of each annual report.</p> <p>The Company's Board Skills Matrix can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Board-Skills-Matrix-2023.pdf</p> |
| Recommendation 2.3 | <p>The Board currently consists of four (4) directors - the Managing Director, the Chairman and two non-executive directors. Details of their experience, qualifications and equity holdings are set out in the Director's Report of the annual report. The following Directors have been in office since the start of the Reporting Period to the date of the annual report unless otherwise stated:</p> <p>Tara French – Managing Director from Oct 2021 Clive Jones – Director since Aug 2003 (not independent) Jonathan Downes – Director from Nov 2021 (independent) Terry Gardiner – Director since Dec 2016 (independent)</p> |
| Recommendation 2.4 | <p>The Company does not comply with Recommendation 2.4 in that it does not have a majority of current serving directors that are independent.</p> <p>Mr Jones is the Chairman of the Company and does not meet the Company's criteria for independence. Mr Jones' experience, equity interest and knowledge of the Company make his contribution to the Board such that it is appropriate for him to remain on the Board.</p> <p>Ms French is the Managing Director of the Company and as such does not meet the Company's criteria for independence.</p> <p>Mr Gardiner is a Non-Executive Director of the Company and is considered to be independent. Mr Gardiner is independent as he is a not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement.</p> <p>Mr Downes is a Non-Executive Director of the Company and is considered to be independent. Mr Downes is independent as he is a not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement.</p> <p>The current Board structure is considered to best serve the Company in meeting its objectives and goals, considering its small market capitalisation, limited resources and existing project portfolio. The composition of the Board</p> |

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| | is reviewed on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. |
| Recommendation 2.5 | The Company does not comply with Recommendation 2.5 in that the Chairman is not independent. The Company considers this to be appropriate and in its best interests. Given the size of the Company and the nature of its activities, it is best served by a chairman with extensive Company and industry specific knowledge as well as significant equity in the Company. |
| Recommendation 2.6 | <p>Any new directors will undergo an induction process in which they are given a full briefing on the Company. They are also provided with letters of appointment to the Board, setting out the key terms and conditions relative to their appointment, full details and copies of the Company's current insurance policies, copies of the latest Corporate Governance Statement as well as other relevant Company policies. Upon appointment, directors are also required to complete a Directors Declaration of Interest form.</p> <p>To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the Director first obtains approval from the Chairman for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.</p> <p>In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified and to receive continuing education concerning key developments in the Company and in the industry and environment within which the Company operates.</p> |
| Principle 3: Instil a culture of acting lawfully, ethically, and responsibly | |
| Recommendation 3.1 | <p>Cazaly has a clear corporate growth strategy, while always operating ethically and with integrity, we use our strong technical skills in exploration and project acquisition to increase the company's asset base in mineral resource development projects. Cazaly also realises value via exploration and divesting its advanced projects through joint venture, sale or other corporate transactions.</p> <p>This strategic direction exposes Cazaly's shareholders to the benefits of successful exploration over a range of properties and commodities while minimising ESG risk and financial risk to the company, and shareholders.</p> <p>Cazaly achieves this through:</p> <ul style="list-style-type: none"> • safe work practises; • respecting the environment; • supporting local communities; • embracing diversity; and • acting with the utmost integrity, honesty and good faith |
| Recommendation 3.2 | The Company has in place a Code of Conduct which guides the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable |

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| | <p>expectations of its stakeholders and ensures all Board members are informed of any breaches of the Code.</p> <p>A copy of the Cazaly Code of Conduct can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Code-of-Conduct-2023.pdf</p> |
| Recommendation 3.3 | <p>The Company has a Whistleblower Policy in place and ensures all Board members are informed of any material incidents that may be reported under this Policy.</p> <p>A copy of the Cazaly Whistleblower Policy can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Whistleblower-Policy-2023.pdf</p> |
| Recommendation 3.4 | <p>The Company has an Anti-Bribery and Corruption Policy in place and ensures all Board members are informed of any material breaches that may be reported under this Policy.</p> <p>A copy of the Cazaly Anti-Bribery and Corruption Policy can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Anti-bribery-and-Corruption-Policy-2023.pdf</p> |
| <p>Principle 4: Safeguard integrity of corporate reports</p> | |
| Recommendation 4.1 | <p>The Board has not established a separate audit committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate audit committee. Accordingly, the Board performs the role of audit committee. Items that are usually required to be discussed by an audit committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of the audit committee by ensuring that any Director with conflicting interests is not party to the relevant discussions.</p> <p>All of the Directors consider themselves to be financially literate and to possess relevant industry experience. Details of each of the Director's qualifications and skill sets are set out in the Directors' Report of each annual report.</p> <p>The appointment and removal of the external auditor requires Cazaly shareholder approval. The Cazaly audit partner is currently rotated every three (3) years).</p> |
| Recommendation 4.2 | <p>The Managing Director (or equivalent) and the CFO (or equivalent) provide a declaration to the Board in accordance with section 295A of the Corporations Act. Such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p> <p>The above declaration has been provided for the Reporting Period.</p> |
| Recommendation 4.3 | <p>The Company lodges annual audited financials and audit reviewed half year financials with the ASX. The Company's relevant audit partner attends the AGM and makes themselves available to answer any shareholder questions that relate to the financial statements or the annual audit of the Company.</p> |

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| | Other relevant periodic corporate reports are reviewed and approved by all Board members and the Company Secretary, including ASX announcements, Quarterly Activities Reports, Quarterly Cashflow Reports and Company presentations. |
| Principle 5: Make timely and balanced disclosure | |
| Recommendation 5.1 | <p>The Board has designated the Managing Director and the Company Secretary as the persons responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.</p> <p>The Company has established policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at all relevant levels for that compliance.</p> <p>All periodic corporate reports, including annual audited financials, half year financials, ASX announcements, Quarterly Activities Reports, Quarterly Cashflow Reports and Company presentations are circulated, reviewed, and approved for release by all Board members and the Company Secretary.</p> <p>A copy of the Cazaly Continuous Disclosure Policy can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Continuous-Disclosure-Policy-2023.pdf</p> |
| Recommendation 5.2 | All periodic corporate reports, including annual audited financials, half year financials, ASX announcements, Quarterly Activities Reports, Quarterly Cashflow Reports and Company presentations are circulated, reviewed, and approved for release by all Board members and the Company Secretary. The Board and the Company Secretary automatically receive copies of all ASX releases to the market. |
| Recommendation 5.3 | After an initial Board review, any material or substantive new Company presentations are released to the market ahead of the relevant presentation. |
| Principle 6: Respect the rights of security holders | |
| Recommendations 6.1, 6.2 & 6.3. | <p>The Company aims to ensure that its shareholders and other investors are provided with timely, accurate and transparent information about itself, its projects, its Board and its governance.</p> <p>All Cazaly information, including corporate governance procedures, are available on the Company's website www.cazalyresources.com.au</p> <p>The Board regularly communicates with its shareholders to ensure they are informed of all significant developments concerning the Company. The Company principally engages with its shareholders via general meetings and its AGM or personally as requested by individual shareholders, a practice that the Company encourages.</p> <p>The Company also provides regular progress updates on the relevant social media and network platforms.</p> <p>The Company has in place a Shareholder Communications Policy which can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Shareholder-Communications-Policy-2023.pdf</p> |

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| Recommendation 6.4 | The Company ensures that <u>all</u> resolutions put forward at a meeting of shareholders is decided by a poll rather than by a show of hands. |
| Recommendation 6.5 | The Company and its share registry (Advanced Share Registry) actively encourage, on at least an annual basis, the use of electronic security holder communications. |
| Principle 7: Recognise and manage risk | |
| Recommendation 7.1 | <p>The Board has not established a separate risk management committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate risk management committee at this point in time.</p> <p>The Company maintains a detailed risk register which is reviewed on at least an annual basis by the Board.</p> |
| Recommendations 7.2 & 7.3 | <p>The Board has adopted a Risk Management Policy. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.</p> <p>A summary of the Cazaly Risk Management Policy can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Risk-Management-Policy-2023.pdf</p> <p>Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.</p> <p>In fulfilling the duties of risk management, the Managing Directors has unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.</p> <p>In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:</p> <ul style="list-style-type: none"> • the Board has adopted an authority level policy and matrix for the Board and management. The policy and matrix may only be changed with Board approval and governs all Company expenditure, commitments and other financial transactions; • the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and • the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices. |

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| | <p>As a minimum, during the Reporting Period, management regularly reported to the Board on operational, native title, financial reporting, ESG, sovereignty concerns, and market related risks affecting the Company, as part of the Company's systems and processes for managing material business risks.</p> <p>The Company does not have an internal audit function. The Company does have comprehensive internal controls and processes with respect to certain classes of risk.</p> <p>The Company considers that its exposure to risks is within the spectrum of what would be typical for a company of its size and activities. The disclosure of potential risk to the Company is disclosed in the Directors Report of each annual report.</p> |
| Recommendation 7.4 | <p>The Company is exposed to material environmental and social sustainability risks which are generally stated in the Directors Report of each annual report.</p> <p>Cazaly recognises that physical and non-physical impacts of climate change may affect assets, productivity, markets and the community. Risks related to the physical impacts of climate change include the risks associated with increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns. Non-physical risks and opportunities arise from a variety of policy, legal, technological and market responses to the challenges posed by climate change and the transition to a lower carbon world.</p> |
| Principle 8: Remunerate fairly and responsibly | |
| Recommendation 8.1 | <p>The Board has not established a separate remuneration committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate remuneration committee. Accordingly, the Board performs the role of remuneration committee. Items that are usually required to be discussed by a remuneration committee are treated as separate agenda items at Board meetings when required.</p> <p>The Board deals with any conflicts of interest that may occur when convening in the capacity of the remuneration committee by ensuring that any Director with conflicting interests is not party to the relevant discussions.</p> <p>Remuneration levels for Board and senior management are based on canvassed market rates and peer comparisons. External consultants may be engaged and utilised for any new director or management appointments.</p> <p>No individual Board member or senior executive is involved in any decisions when fixing remuneration levels.</p> |
| Recommendation 8.2 | <p>The Company discloses Board and key management personnel remuneration information in the Audited Remuneration Report included in the Directors' Report of each annual report.</p> <p>The Company and its shareholders have adopted the Cazaly Employee Incentive Plan, which is required to be approved by shareholders every three (3) years.</p> |

| PRINCIPLES & RECOMMENDATIONS | COMMENT |
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| Recommendation 8.3 | <p>The Cazaly Employee Incentive Plan is required to be approved by shareholders every three (3) years (last approved at 2022 AGM). A participant in the Cazaly Employee Incentive Plan must not enter into any arrangement for the purpose of hedging their economic exposure to convertible securities that have been granted to them.</p> <p>A copy of the Cazaly Securities Trading Policy can be viewed at https://www.cazalyresources.com.au/wp-content/uploads/2023/09/CAZ-Security-Trading-Policy-2023.pdf</p> |