

Corporate Governance Statement

This Corporate Governance Statement was approved by the Board of Gascoyne Resources Limited (Subject to Deed of Company Arrangement) (**Gascoyne** or the **Company**) on 16 October 2020, for the financial year to 30 June 2020, but includes the period from 1 July 2019 to 16 October 2020 and is accurate as at 16 October 2020.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2020, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations) 3rd Edition. 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 Plan which provides the written terms of reference for the Company's corporate governance duties. The Company has a corporate governance section on the website at <https://www.gascoyneresources.com.au/>. The section includes details on the Company's governance arrangements and copies of relevant policies and charters.

On 2 June 2019, the Directors of the Company appointed Voluntary Administrators. From this date, pursuant to section 437A of the Corporations Act 2001 (Cth), the Administrators controlled the Company's business, property and affairs and had ultimate responsibility for overseeing the Company's corporate governance practices. Whilst every effort was made to continue to adhere to the Company's corporate governance policies and procedures, in some instances this was not practically possible. On 26 June 2020, following approval by creditors of the deed of company arrangement, Michael Ryan, Kathryn Warwick and Ian Francis of FTI Consulting were appointed as joint and several deed administrators of the Company ("Deed Administrators"). The Deed Administrators are still appointed as at the date of this Statement.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

A listed entity should disclose:

- (a) the respective roles and responsibilities of the board and management; and**
- (b) those matters expressly reserved to the board and those delegated to management.**

In normal circumstances, the Board would be responsible for the overall governance of the Company including setting strategic direction, oversight of management, monitoring financial performance, reviewing and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

During the period the Company operated without a Board.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

The Chief Executive Officer, supported by senior management was responsible for managing the day to day activities of the Company in accordance with the direction of the Voluntary Administrators or Deed Administrators during the times of their appointment.

The Company's Board Charter sets out the specific responsibilities of the Board and those matters delegated to management. A copy of the Board Charter was located on the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

Recommendation 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.**

In normal circumstances, when considering Board appointments, the Company would undertake an extensive process to verify the candidate's character, experience, education and criminal record. A profile of each Director would be included in each Annual Report and the Company ensures that all material information in its possession relevant to a Shareholder's decision on whether or not to elect or re-elect a Director, would be provided to Shareholders in the relevant notice of meeting.

During the period the Company operated without a Board and no Board appointments occurred.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020. Subsequent to the period end, Board appointments were made by the Deed Administrators on 5 August 2020. Prior to appointment the Deed Administrators undertook a process to verify the candidate's character, experience and criminal record.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Under normal circumstances, the Company would have a written agreement with each director and senior executive setting out the terms and conditions of their appointment.

A written agreement with each Director would outline the duration of appointment, expectations in relation to the Directors' duties and responsibilities, expectations in relation to time commitment, compliance with the Code of Conduct, disclosure of conflicts of interests and related party transactions, the Company's policy on seeking independent professional advice, remuneration, the Board evaluation process, right of access to company records and indemnity and insurance arrangements.

A written agreement with each senior executive would set out the terms of their appointment, a description of their position, duties and responsibilities, remuneration details and the circumstances giving rise to termination.

Any material variation to the written agreement of the Chief Executive Officer/Managing Director would be disclosed via the Company Announcements Platform of the ASX.

During the period the Company operated without a Board and therefore, no such agreements were put in place with Board members.

The Company had a written agreement in place with its Chief Executive Officer, Mr Richard Hay. Mr Hay became an executive director on 5 August 2020, at which time a new written agreement was signed. A summary of the terms and conditions of that agreement were disclosed in a Prospectus issued by the Company on 13 August 2020.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020. Further information can be found in the Remuneration Report Section of the Company's Annual Report.

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.

In normal circumstances, the Company Secretary of the Company would be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary would communicate directly with the Chairman and all Directors and is responsible for supporting the proper functioning of the Board. This includes, but is not limited to, providing advice on governance and procedural matters, the provision of detailed papers and minutes for all Board and Committee meetings, communicating with the ASX and ASIC on all regulatory matters and monitoring adherence to Board policies and procedures.

During the period the Company operated without a Board and all such communications were between the Voluntary Administrators or Deed Administrators, as the case may be.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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 Company respects and values diversity within the workplace and recognises the promotion of diversity is socially and economically responsible governance practice. The Company believes the promotion of diversity within the organisation assists in attracting, recruiting, engaging and retaining high quality employees and encouraging innovation, enhanced work practices and productivity.

The Company has a Diversity Policy which aims to promote a corporate culture that embraces diversity by promoting the principles of merit and fairness when making decisions about recruitment, development, promotion and remuneration. To this effect the Company recruits from a diverse pool of qualified candidates, engaging professional assistance where appropriate and advertising vacancies widely. The Company regularly reviews and develops policies and procedures to ensure diversity and reinforces within the workforce a culture of non-tolerance of discrimination, harassment, vilification and victimisation.

The Diversity Policy includes a requirement for 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.

The Company operated without a Board during the period. Due to the circumstances encountered by the Company and the resulting uncertainty of continued permanent employment, the Company experienced significant uncertainty within its workforce. Therefore, the Company has not yet set measurable objectives for achieving gender diversity.

A copy of the Diversity Policy in place during the period was located on the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at 30 June of each year are shown in the table below. Senior executive has been defined in accordance with the definition of "Senior Manager" in the Corporations Act 2001 for the purpose of this table.

Gender Diversity Disclosures

	2020		2019	
	No.	%	No.	%
Women on the Board	0	0%	0	0%
Women in senior executive roles	1	33%	1	25%
Women employees in the Group	17	17%	20	20%

Recommendation 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.

In normal circumstances, the Chair, with guidance of the Nomination and Remuneration Committee (as it was then called), after having canvassed the views of the other directors, would review the performance of the board, its committees and individual directors annually to assist in a continuous improvement process to enhance the effectiveness of the board.

As the Company did not have Board during the period, no Performance evaluations were undertaken in the 2020 reporting period.

Recommendation 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.

In normal circumstances, the Nomination and Remuneration Committee (as it was then called) would review on an annual basis the performance of senior executives against role expectations and relevant performance indicators set at the previous annual review and establishes role expectations and performance indicators for the coming year. Following such review, the Nomination and Remuneration Committee would make a recommendation to the Board in relation to base remuneration taking into consideration market conditions and performance relevant to each senior executive, proportion of achievement of previously set incentives and new incentive recommendations for the coming 12 months.

As the Company did not have Board or Committees during the period, no Performance evaluations were undertaken in the 2020 reporting period. Further information can be found in the Remuneration Report Section of the Company's Annual Report.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 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.

The Company did not have a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee (as it was then called) was governed by the Nomination and Remuneration Committee Charter. A copy of the Nomination and Remuneration Committee Charter was located on the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new charter titled "Remuneration Committee Charter" is located on the corporate governance section of the Company's website.

During the period the Company operated without a Board.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

There were no committee meetings held during the year.

Recommendation 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.

In normal circumstances, the Board would recognise the need for Directors to have a relevant blend of skills and personal experience to provide proper oversight of the Company's activities. Board structure and composition is reviewed as part of the board evaluation process. A profile of each Director setting out their experience, expertise and period of office would be set out in the Directors' Report Section of the Company's Annual Report. Board appointments during the year would be made with consideration of the existing mix of skills on the Board and in accordance with the Company's Policy and Procedure for Appointment of New Directors which was located on the corporate governance section of the Company's website at

As the Company did not have a Board during the period, it has not disclosed a board skills matrix setting out the mix of skills and diversity that the board would have or which it would have been looking to achieve in its membership.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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.

During the period the Company operated without a Board and therefore, there were no independent directors.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

During the period the Company operated without a Board and therefore, there were no independent directors.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

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.

During the period the Company operated without a Board and therefore, there was no independent Chairman.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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.

In normal circumstances, all new Directors would be provided with an induction facilitated by the Company Secretary. The induction would include comprehensive meetings with the Chief Executive Officer, Senior Executives and management and provision of an information pack including organisational structure, the Constitution, Board Policies and Charters and copies of previous Board meeting packs and minutes. All new Directors would be required to undertake a site visit either prior to their appointment or as soon as practicable after their appointment to further assist their understanding of the Company.

All Directors would be expected to maintain the skills necessary to effectively discharge their responsibilities to the Company. Directors would be encouraged to undertake self-development and be provided with re-imbursment of costs to a set limit for relevant seminars and courses undertaken, with approval of the Chair.

During the period the Company operated without a Board, therefore, none of these actions were undertaken.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 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.**

The Company has a Code of Conduct (**Code**). The Code is designed to assist Directors, management and staff in making informed decisions about their behaviour in light of the Company's core values of integrity, teamwork and performance. A copy of the Code is available from the corporate governance section of the Company's website and is made available to all employees of the Company.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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:
 - (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.

The Company did not have an Audit and Risk Committee. During the period the Company operated without a Board and therefore, did not have any committees.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

In normal circumstances, the Audit and Risk Committee would be governed by the Audit and Risk Committee Charter. A copy of the Audit and Risk Committee Charter was located on the corporate governance section of the Company's website. The Charter was updated and replaced as at 28 July 2020 and the new Charter is located on the corporate governance section of the Company's website.

There were no members of the committee during the year.

Recommendation 4.2

A 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 Chief Executive Officer (CEO) and Chief Financial Officer (CFO) or equivalent are required to provide the following certifications to the board each reporting period:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Company and Group, and are in accordance with relevant accounting standards; and
- That the reports were founded on a sound system of financial risk management and internal compliance and control.

Their statements provide assurance to the Board that the risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

The CEO/Managing Director and CFO or equivalent have provided the Voluntary Administrators or the Board, as timing has dictated and as the case maybe, with this certification for all financial reports lodged throughout the reporting period.

Recommendation 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.

A representative of the Company's external auditor, Grant Thornton Audit, was invited to attend and attended the Annual General Meeting of the Company. Shareholders were provided with an opportunity to address questions to the auditor.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 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.

The Company has a Continuous Disclosure policy outlining procedures for compliance with ASX and Corporations Act continuous disclosure requirements. In normal circumstances, the Board would have appointed the Chief Executive Officer and/or the Company Secretary as the persons responsible for communicating with the ASX and overseeing the timely disclosure of information to the ASX subject to prior review and approval by the Directors and the Administrators during the period of Administration.

During the period the Company operated without a Board, but the Administrators or the Deed Administrators worked to this policy.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

A copy of the policy was available from the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new is located on the corporate governance section of the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

In normal circumstances, the Company's website at <https://www.gascoyneresources.com.au> provides investors with information about its Board and Management, its projects, and operations and ASX announcements. Some of this information was not provided during the period as the Company operated without a Board.

Investors can register for inclusion in the distribution of email updates from the Company at <https://www.gascoyneresources.com.au/contact> which may include ASX announcements, investor presentations and any other information deemed relevant.

The Corporate Governance Section of the Company's website that contains key policies and charters of the Company.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate two-way communication with investors.

The Company operates in accordance with its Shareholder Communication Policy which was available at the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

The Company engaged external consultants to assist in maintaining an appropriate investor relations program and communication strategy.

Recommendation 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.

The Company encourages attendance of shareholders at shareholders meetings.

The Company, through its share registry, provides an online voting facility that allows security holders to submit their proxy forms online.

The Company's Shareholder Communication Policy is available from the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

Recommendation 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 Company's website links for electronic communication with both the Company and the share registry. All price sensitive information is announced to investors through the ASX Market Announcement Platform and then the ASX Announcements are made available on the Company's website.

New shareholders receive correspondence from the Company regarding shareholder preferences for Annual Report, Notices of Meetings and other communications which are implemented where practicable and cost effective. Shareholders can update their preferences at any time.

Security holders can view their securities holdings, download forms, update their personal details and communication preferences from the share registry portal at <https://www.advancedshare.com.au/Investor-Login>.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 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 satisfies (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

In normal circumstances, the Audit and Risk Committee would have been governed by the Audit and Risk Committee Charter. A copy of the Audit and Risk Committee Charter was located on the corporate governance section of the Company's website. The Charter was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

During the period, the Company did not have a risk management function.

During the period the Company operated without a Board or committees.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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.

In normal circumstances, the Company would adhere to the Risk Management Policy that outlines the process for risk management. A copy of the Risk Management Policy was located on the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

During the period the Company operated without a Board or committees.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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.

The Company does not have an internal audit function, as it is not of a size or complexity to warrant an internal audit function. In normal circumstances, the Board would oversee the effectiveness of risk management and internal control processes.

During the period the Company operated without a Board.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

Recommendation 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.

As a mining and exploration company, the Company faces inherent risks in its activities, which include economic, environmental and social sustainability risks which may materially impact the Company's ability to create or preserve value for its security holders.

Economic Risks

The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD/USD exchange rate. The Company's costs of production are impacted by diesel fuel costs that are exposed to volatility in crude oil prices.

Commodity prices and exchange rates can fluctuate rapidly and widely and are affected by numerous factors outside the control of the Company. These factors include world demand for precious and other metals, forward selling by producers and production cost levels in major metal-producing regions. Other factors include expectations regarding inflation, interest rates, gold forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings. Any of these factors, individually or collectively, can affect the value of the Company's assets and may have an adverse effect on the viability of the Company's production, exploration, development activities and its ability to fund those activities.

In an effort to mitigate the risks associated with commodity price volatility the Company seeks the advice of independent experts in formulating policies. The Company undertakes hedging activities as it considers appropriate and as prescribed by its Banking covenants. Details of hedging position and policies are available in the Company's Annual Report.

Environmental Risks

The operations and activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. If such laws are breached, the Company could be required to cease its operations and/or incur significant liabilities including penalties due to past or future activities.

As with all mining operations and exploration activities, the Company's activities are expected to have an impact on the environment, particularly as advanced exploration, mine development and mine operations are undertaken. Mining operations have statutory rehabilitation obligations that the Company complies with, these obligations are material. It is the Company's intention to conduct its activities to high standards. Nevertheless, there are certain risks inherent in the Company's activities which could subject it to substantial liability. Further, in most cases, the Company will require approval from authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals could prevent the Company from undertaking its desired activities.

The cost and complexity in complying with the environmental laws and regulations may affect the viability of developing individual Company's projects and therefore, the value of the Company's assets. Further there can be no assurances that any future environmental laws, regulations or stricter enforcement policies will not have a material effect on the viability of developing individual Company's projects and therefore, the value of the Company's assets.

In an effort to mitigate these inherent environmental risks, the Company engages qualified environmental personnel and obtains the advice of independent experts as necessary. The Company has an Environmental and Social Policy, an environmental management system, management plan and numerous procedures to ensure appropriate business practices.

Social Sustainability Risks

The value of the Company's assets may be affected by a safety incident or fatality, failure to comply with relevant legislative requirements, fraud and corruption. The Company is mindful of human rights and indigenous rights in all communities in which it conducts business and is acutely aware of the impact a loss of social confidence can have on the value of an organisation.

The Company is committed to providing a workplace environment and facilities that allows employees and contractors to safely fulfil their roles, whilst at the same time minimise risks to their health. The Company employs qualified OHS & ER personnel and obtains the advice of independent experts as necessary. The Company has a Health and Safety Policy and numerous plans and procedures that allow workplace safety to be maintained through good engineering practice, training, development of safe working practices, leadership and personnel setting by example to others. Personnel are required to comply with relevant safety and health regulations.

Aboriginal sacred sites and cultural heritage artefacts on the Company's tenements are protected by State and Commonwealth laws. Any destruction or harm to such sites and artefacts may result in the Company incurring significant fines and Court injunctions which may adversely impact on exploration and mining activities. The Company employs an experienced tenement manager and has heritage agreements with local claimant groups. It conducts surveys as required before conducting exploration work which could disturb the surface of the land.

The Company works closely and collaboratively with communities located near its operations. It seeks to employ suitably qualified individuals and contractors from the local community where possible. The Company also has a road access and maintenance agreement with the local shire to ensure the access road to the minesite is maintained to a satisfactory condition.

A copy of the Environmental and Social Policy is located on the corporate governance section of the Company's website.

A copy of the Health and Safety Policy is located on the corporate governance section of the Company's website.

A copy of the Whistleblower Policy was located on the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new policy is located on the corporate governance section of the Company's website.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 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.

During the year, there was no director and senior executive remuneration function performed during the period by the Nomination and Remuneration Committee.

During the period the Company operated without a Board or committees.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

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.

In normal circumstances, the remuneration of non-executive directors, executive directors and other senior executives would be in accordance with the principles set out in its Nomination and Remuneration Committee Charter which was available from the corporate governance section of the Company's website. The policy was updated and replaced as at 28 July 2020 and the new Charter is located on the corporate governance section of the Company's website.

Non-executive directors would be remunerated on a fixed fee basis for their time, commitment and responsibilities as part of an aggregate pool approved by security holders. Remuneration for non-executive directors would not be linked to the performance of the Company.

In normal circumstances, remuneration for executive directors and senior executives would consist of fixed annual remuneration (base salary and superannuation) and variable "at risk" components (short-term and long-term incentives).

Further details regarding the Company's remuneration practices are disclosed in the Remuneration Report Section of the Annual Report at <https://www.gascoyneresources.com.au/investor/reports/>.

During the period the Company operated without a Board.

During the period the Company was under external administration the responsibilities of the Board as outlined in the Board Charter were assumed by the Administrators pursuant to section 437A of the Corporations Act 2001 (Cth) and subsequently, the Deed Administrators from 26 June 2020.

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.

The Company did not have an equity-based remuneration scheme.

The Company's Securities Dealing Policy prohibits Directors, Executives and other employees from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

A copy of the Company's Securities Dealing Policy is located on the corporate governance section of the Company's website.