

CORPORATE GOVERNANCE STATEMENT 2021

The Board of Magmatic Resources Limited (“MAG”, “the Company”) is responsible for the corporate governance of the Company.

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations 4th Edition (“Recommendations”) with a view to making amendments where applicable after considering the Company’s size and the resources it has available.

As the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

Corporate Governance Compliance

The Company has followed the 4th edition of the ASX Corporate Governance Council’s Principles and Recommendations (Principles and Recommendations”) where the Board has considered the recommendations to be an appropriate benchmark for its corporate governance practices.

Where, after due consideration, the Company’s corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for adoption of its own practice, in compliance with the “if not, why not” regime.

MAG’s Corporate Governance Statement can also be found on the Company’s website at <https://magmaticresources.com/corporate-governance/>

Principle 1: Lay solid foundations for management and oversight		
	ASX Recommendation	Disclosure
1.1	A listed entity should have and disclosure a board charter setting out: (a) The respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Adopted The Board Charter details the functions and responsibilities of the Board and management, including matters reserved for the Board. The Board Charter is included in the Corporate Governance Policies section on the Company’s website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting forward for election 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.	Adopted There have been no appointments in the current financial year however standard procedure is to undertake appropriate checks prior to appointing a director or senior executive or recommending a candidate for election or re-election as a director. All material information relevant to whether or not to elect or re-elect a director is provided to the Company’s shareholders as part of the Notice of Meeting for the applicable shareholders meeting.

1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted. Each director and senior executive has a written agreement setting out the terms of their engagement.
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.	Adopted. The Company Secretary is accountable to the Board, on all applicable compliance and governance matters. Details of responsibilities are contained in the Company's Board Charter.
1.5	A listed entity should: (a) have and disclose a diversity Policy; (b) through its board or a committee of the board set measurable gender diversity in the composition of its board, senior executives and workforce generally; (c) disclose in relation to each reporting period: (1) to achieve gender diversity set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if 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.	Partially Adopted. The Company has adopted a Diversity Policy which is included in the Corporate Governance Policies section on the Company's website. At this stage of its development the Company does not think it is appropriate to state measurable objectives for achieving gender diversity due to its size and nature of operations. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on Board: 0% - Women in Senior Management: 33% - Women in whole organisation: 26%
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 for each reporting period, whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.	Adopted. The Company has a process for evaluating the Board, its Committees and individual Directors as detailed in its Board Charter. An informal performance evaluation was conducted in the reporting period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and	Partially Adopted The Company has a performance evaluation policy which includes the evaluation of senior executives. An evaluation did not take place

	(b) disclose for each reporting period, whether a performance evaluation had been undertaken in accordance with that process during or in respect of that period.	this financial period.
Principle 2: Structure the Board to be effective and add value		
	ASX Recommendation	Disclosure
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Not Adopted.</p> <p>The Company does not currently have a nomination committee with this role being undertaken by the full Board, in accordance with the Nomination Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>This is deemed appropriate at this stage of the Company's development there is no benefit in establishing a separate nomination committee.</p> <p>The Board will reconsider the requirement for a separate nomination committee as the Company's operations grow and evolve.</p> <p>Any potential candidates for the office of Director are assessed to ensure they possess the relevant skills, experience, personal attributes and capability to devote the necessary time and commitment to the role in order to discharge duties both responsibly and effectively.</p>
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.	<p>Adopted</p> <p>Refer to Appendix A – Board Skills matrix</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, or relationship of the type as described in Box 2.3 of the Recommendations but the board is of the opinion that it does not compromise the independence of the director, nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Adopted.</p> <p>As at 30 June 2021 the Board consisted of:</p> <ul style="list-style-type: none"> ▪ David Richardson, Executive Chairman, not independent, appointed 28 October 2016 (5 years); ▪ Peter Duerden, Managing Director, not independent, appointed 3 February 2020 (20 months); ▪ David Berrie, Non-Executive Director, not independent, appointed 28 October 2016 (5 years).

2.4	A majority of the Board of a listed entity should be independent directors.	Not Adopted. There are three directors on the Board, none of which are independent. David Richardson and Peter Duerden are both executives with the Company and David Berrie is a substantial shareholder.
2.5	The Chair of a 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.	Not Adopted. Mr David Richardson is the Executive Chairman of the Company, and so no independent. However he does not perform the role of CEO.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted. The Company has a process for inducting new directors with the Company Secretary available to assist with the process of new Directors familiarising themselves with the Company. Professional development requirements are addressed as circumstances require.

Principle 3: Instil a Culture of Acting Lawfully, Ethically And Responsibly

	ASX Recommendation	Disclosure
3.1	A listed entity should articulate and disclose its values.	Not Adopted. The Company intends to develop and articulate its values within the next 12 months.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Adopted. The Company has developed a Code of Conduct, which is published on the Company's website. The Board is informed of any material breaches of that Code.
3.3	A listed entity should: (a) have and disclose a Whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Adopted. The Company has developed a Whistleblower Policy, which is published on the Company's website. The Board is informed of any material incidences reported under the policy.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Adopted. The Company has developed an anti-bribery and corruption policy. The Board is informed of any material incidents reported under the policy.

Principle 4: Safeguard Integrity of Corporate Reports

	ASX Recommendation	Disclosure
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none">(1) has at least 3 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; <p>and disclose:</p> <ul style="list-style-type: none">(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 member at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Adopted.</p> <p>The Company does not currently have an Audit Committee with this role being undertaken by the full Board, in accordance with the Audit and Risk Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>This is deemed appropriate at this stage of the Company's development there is no benefit in establishing a separate audit committee.</p> <p>The Board will reconsider the requirement for a separate audit committee as the Company's operations grow and evolve.</p> <p>The Board therefore carries out the process of an audit committee to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The qualifications, experience and attendance of the members of the Board are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Adopted.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Adopted.</p> <p>The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed benefits from several layers of review and checking.</p>

Principle 5: Make Timely And Balanced Disclosure		
	ASX Recommendation	Disclosure
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rule 3.1.	Adopted. The Company has adopted a Continuous Disclosure Policy, which is included in the Corporate Governance Policies section on the Company's website.
5.2	A listed entity should ensure that its board receives a copy of all material market announcements promptly after they have been made.	Adopted.
5.3	A listed entity that gives new substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Adopted.
Principle 6: Respect The Rights Of Security Holders		
	ASX Recommendation	Disclosure
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted. The Company currently has a Corporate Governance page on its website, which provides information about the Company and governance.
6.2	A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	Adopted. The Company has a shareholder communication policy, which is included in the Corporate Governance Policies section on the Company's website.
6.3	A listed entity should disclose that it facilitates and encourages participation at meetings of security holders.	Adopted. The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.	Adopted.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted.

Principle 7: Recognise And Manage Risk

	ASX Recommendation	Disclosure
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Not Adopted.</p> <p>The Company does not currently have a Risk Committee, with this role being undertaken by the full Board, in accordance with the Audit and Risk Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>This is deemed appropriate at this stage of the Company's development there is no benefit in establishing a separate risk committee.</p> <p>The Board will reconsider the requirement for a separate risk committee as the Company's operations grow and evolve.</p> <p>The Board therefore carries out the process of a risk committee, overseeing risk.</p> <p>The Company's Risk Management Policy is included in the Corporate Governance Policies section on the Company's website.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Adopted.</p> <p>The Board determines the Company's 'risk profile; and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.</p> <p>The Board has not reviewed the Company's risk profile during the 2021 financial year.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Not Adopted.</p> <p>The Company does not have an internal audit function.</p> <p>Under the Company's Risk Management Policy, the responsibility of undertaking and assessing risk management and internal control effectiveness is currently assumed by the Board.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Adopted.</p> <p>The Group currently does not have any material exposure to environmental or social risks.</p> <p>The Group does not have an Environmental, Social and Governance policy, but intends to review this in the short term.</p>

Principle 8: Remunerate Fairly And Responsibly		
	ASX Recommendation	Disclosure
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a 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.</p>	<p>Not Adopted.</p> <p>The Company does not currently have a remuneration committee with this role being undertaken by the full Board, in accordance with the Remuneration Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>This is deemed appropriate at this stage of the Company's development there is no benefit in establishing a separate remuneration committee.</p> <p>The Board will reconsider the requirement for a separate remuneration committee as the Company's operations grow and evolve.</p>
8.2	<p>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.</p>	<p>Adopted.</p> <p>Details of the Company's policies and practices regarding the remuneration of Directors and other senior management is set out in the Remuneration Report as disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Adopted.</p> <p>The Company's Securities Trading Policy specifically prevents employees engaging in margin lending or otherwise leveraging securities without the fully informed consent of the Board. A copy of this policy is included in the Corporate Governance Policies section on the Company's website.</p>

Corporate Governance Statement dated: 30 June 2021

Approved by the Board: 28 September 2021

Appendix A

Board Skills Matrix

Skill / experience	David Richardson	David Berrie	Peter Duerden
Commercial	✓	✓	✓
Corporate Governance	✓	✓	
Legal		✓	
Investor relations	✓	✓	✓
Capital raising	✓	✓	✓
Corporate strategy	✓	✓	✓
Leadership	✓	✓	✓
Accounting		✓	
Business development	✓	✓	
Risk management		✓	✓
Exploration			✓
Geographic experience – NSW			✓
Project development		✓	✓

Collectively, the Board has an extensive range of commercial and technical skills and other relevant experience which are vital for the effective management of the business. Board members, including some who are also directors of other ASX-listed companies, together have a combination of experience in the following business areas:

- commercial
- corporate governance
- regulatory framework
- investor relations
- capital raising
- corporate strategy
- leadership
- accounting
- business development
- risk management
- exploration
- geographic experience – NSW
- project development

In addition to the specific skills listed above, the Board members have considerable experience in investment banking, corporate finance and legal matters but no member of the Board, as currently constituted, has an accounting qualification. The Board, with their breadth of understanding of commercial matters seek external professional accounting guidance when necessary. At an appropriate time the Board will consider the addition of a qualified accountant director when the size and scale of activities warrant such an expansion. In addition both the Board has extensive experience dealing with ASX listed companies generally.