

CORPORATE GOVERNANCE STATEMENT 2023

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 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. The Company undertakes 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.	<p>Adopted.</p> <p>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.</p>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity Policy;</p> <p>(b) through its board or a committee of the board set measurable gender diversity in the composition of its board, senior executives and workforce generally;</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) to achieve gender diversity set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Partially Adopted.</p> <p>The Company has adopted a Diversity Policy which is included in the Corporate Governance Policies section on the Company's website.</p> <p>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.</p> <p>The Company makes the following disclosures regarding the proportion of women employed or engaged in the organisation:</p> <ul style="list-style-type: none"> - Women on Board: 0% - Women in Senior Management: 17% - Women in whole organisation: 20%
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>	<p>Adopted.</p> <p>The Company has a process for evaluating the Board, its Committees and individual Directors as detailed in its Board Charter.</p> <p>Performance discussions have occurred in the 2023 financial year. The process included the completion of individual questionnaires, the responses of which were then collated and discussed by Committees.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation had been undertaken in accordance with that process during or in respect of that period.</p>	<p>Adopted</p> <p>The Company has a performance evaluation policy, which includes the evaluation of senior executives. An evaluation did not take place during the reporting period, however occurred subsequent to the end of the reporting period.</p>

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> <ul style="list-style-type: none">(1) has at least three members, a majority of whom are independent directors; and(2) is chaired by an independent director; and disclose:(3) the charter of the committee;(4) the members of the committee; and(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) If it does not have a 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	<p>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>	<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 2023 the Board consisted of:</p> <ul style="list-style-type: none">▪ David Richardson, Executive Chairman, not independent, appointed 28 October 2016 (7 years);▪ Adam McKinnon, Managing Director, not independent, appointed 15 March 2022 (1 year);▪ David Berrie, Non-Executive Director, not independent, appointed 28 October 2016 (7 years).▪ Andrew Viner, Non-Executive Director, independent, appointed 17 December 2021 (1 year).

2.4	A majority of the Board of a listed entity should be independent directors.	Not Adopted. There are four directors on the Board, one of which is independent. David Richardson and Adam McKinnon are both executives with the Company and David Berrie has been a substantial shareholder within the last three years.
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 is not 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 and considered as part of the annual director performance reviews.

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.	Adopted. The Company has a Corporate Code of Conduct which includes a section on values.
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 a Corporate 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 a Whistleblower Protection 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 an Anti-Bribery and Anti-Corruption Policy, which is published on the Company's website. 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> <p>(1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board;</p> <p>and disclose:</p> <p>(3) the charter of the committee</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Partially Adopted.</p> <p>The Company has an Audit and Risk Committee comprising David Richardson, David Berrie (Committee Chair) and Andrew Viner. However, it does not meet the composition requirements.</p> <p>The Company has an Audit and Risk Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>The qualifications, experience and attendance of the members of the Board are disclosed in the Company's Directors' Report (contained in the 2023 Annual Report).</p> <p>The Audit and Risk Committee met twice during the year with all members in attendance.</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> <p>Upon approval of all financial statements, the Board receives a copy of the CEO and CFO declaration which covers the items required in principle 4.2.</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 has a Corporate Governance page on its website, which provides information about the Company and its 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 Communications Strategy, 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>Partially Adopted.</p> <p>The Company has an Audit and Risk Committee comprising David Richardson, David Berrie (committee Chair) and Andrew Viner. However, it does not meet the composition requirements.</p> <p>The Company has an Audit and Risk Committee Charter, which is included in the Corporate Governance Policies section on the Company's website.</p> <p>The Audit and Risk Committee met twice during the year with all members in attendance.</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 reviewed the Company's risk profile during the 2023 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> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a 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 2023 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 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 2023

Approved by the Board: 28 September 2023

Appendix A: Board Skills Matrix

The following table of skills and experience has been identified by the Board as the key skills and other attributes of Board members which are believed to be required for robust decision-making and the effective governance of the Company.

The table is reviewed and updated periodically to ensure that it covers the attributes needed to address existing and emerging business and governance issues relevant to the Company.

Each Director was asked to grade their experience, capability and knowledge in respect of each identified skill using an assessment scale of 0 to 5, with 0 being no competency and 5 being a recognised industry expert competency. A level of 3 or above indicates a 'well developed competency' to participate in Board level decision making.

Skill / Experience / Expertise	Number of directors with 3 or over
Commercial	4
Corporate Governance / Compliance	4
Legal	3
Investor relations	4
Capital raising	4
Corporate strategy	4
Leadership	4
People, Culture, Remuneration	3
Accounting / Financial	4
Business development	4
Risk management	4
Health & Safety	4
Sustainability & Environment	4
Community & Exploration Targeting	4
Geology & Exploration Targeting	4
Exploration & Resource Definition	3
Metallurgy & Mineral Processing	3
Geographic experience – NSW	4
Project development	4