



**CAENEUS**

Minerals Limited

**ACN 082 593 235**

**Corporate Governance Statement  
for the year ended 30 June 2020**



The board of directors of Caeneus Minerals Ltd (Caeneus Minerals) (the Company) is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's (CGC) Corporate Governance Principles and Recommendations (Recommendations) and CGC published guidelines.

In accordance with ASX Listing Rule 4.10.3, this Corporate Governance Statement (Statement) discloses the extent to which the Company has followed the Recommendations by detailing the Recommendations that have not been adopted by the Company and the reasons why they have not been adopted. In the areas where the Company does not follow the Recommendations, the Company is working toward compliance or does not consider that the practices are appropriate for the current size and scale of operations.

This Statement was approved by the board of directors and is current as at 29 September 2020.

## **Principle 1: Lay solid foundations for management and oversight**

### **Recommendation 1.1:**

*Companies should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.*

The board's role is to govern the Company rather than to manage it. In governing the Company, the directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the board and it is the responsibility of the board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the board is to drive the performance of the Company. The board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The board has the final responsibility for the successful operations of the Company.

To assist the board in carrying out its functions, it has developed a Code of Conduct to guide the directors, the Chief Executive Officer, the Chief Financial Officer and other key executives in the performance of their roles.

In general, the board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. Full details of the board's role and responsibilities are contained in the Board Charter, a copy of which is available on the Company's website.

Without intending to limit this general role of the board, the principal functions and responsibilities of the board include the following:

- (a) appointment of the Executive Director (being Executive Director, Managing Director or Chief Executive Officer), other senior executives and the Company Secretary and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options equity instruments or other securities in the Company;
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) ~~recommending to shareholders the appointment of the external auditor as and when their appointment~~

or re-appointment is required to be approved by them; and

(k) meeting with the external auditor, at their request, without management being present.

**Recommendation 1.2:**

*Companies should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director and 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.*

The Company undertakes reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the board supports the appointment or re-election.

**Recommendation 1.3:**

*Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

**Recommendation 1.4:**

*The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.*

The Company Secretary is accountable directly to the board on all matters to do with the proper functioning of the board, including agendas, board papers and minutes, advising the board and its Committees (as applicable) on governance matters, monitoring that the board and committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

**Recommendation 1.5:**

*The Company should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.*

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

Under the Company's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation.

The Company has adopted a diversity policy which provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The board is primarily responsible for setting achievable objectives on gender diversity and monitoring the progress of the Company towards them on an annual basis. Due to the size and scale of operations of the Company, the board has determined that a long term gender diversity objective is more appropriate.

Given the size of the Company, the Company has not yet set measurable objectives for achieving gender diversity. The board will review progress against any objectives identified on an annual basis.

**Recommendation 1.6:**

*The Company should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

It is the policy of the board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company.

The board has established formal practices to evaluate the performance of the board, committees (when put in place) and individual directors. Details of these practices are available in the Code of Conduct on the Company's website. No formal performance evaluation of the board and individual directors took place during the year.

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 skill gaps where they are identified.

**Recommendation 1.7:**

*The Company should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

During the year ended 30 June 2020, the company did not have any senior executives and accordingly no performance reviews were required.

**Principle 2: Structure the board to add value**

To add value to the Company, the board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the directors and their qualifications and experience are stated in the Directors' Report of the 2020 annual report. Directors are appointed based on the specific skills required by the Company and on other attributes such as their decision-making and judgment skills.

**Recommendation 2.1:**

*The Board should establish a Nomination Committee comprising a majority of independent directors (including the Chair).*

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Directors are appointed under the terms of the Company's constitution. Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise, and experience of the board. The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administration skills. Casual appointments must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. All Directors, with the exception of the Managing Director (if appointed), serve for a period of three years before they are requested to retire and if eligible offer themselves for reelection.

**Recommendation 2.2:**

*The Company 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.*

The Company has a skills or diversity matrix in relation to its Board members which reflects the current size and scope of the Company's operations. The Board will adopt a more detailed and comprehensive matrix if and when there is a significant change in the size and scale of its activities.

Following 30 June 2020, the company employed an experienced executive to assist with geology and development.

Director	Gender	Skills/Qual.	Experience Based on Skills/Knowledge				
			Accounting/ Finance	Investor Relations	Corporate Management	Fund Raising	Geology/ Development
Peter Christie	Male	BBus, Reg Tax agent	√	√	√	√	
Johnathon Busing	Male	BBus, CA, Reg Tax agent	√	√	√	√	
David Sanders	Male	LLB, BCom, B.Juris	√		√		

**Recommendation 2.3:**

*The Company should disclose the names of the directors considered to be independent directors and length of service of each director.*

The names, position, appointment date and independence classification are set out in the table below:

Director	Position	Date Appointed	Independent
Peter Christie	Non-executive Chairman	28 November 2017	Yes
Johnathon Busing	Non-executive Director and Company Secretary	30 November 2017	No
David Sanders	Non-executive Director	7 December 2018	Yes

**Recommendation 2.4:**

*A majority of the Board of the Company should be independent directors.*

In assessing whether a director is classified as independent, the Board considers the independence criteria set out in

the ASX Corporate Governance Council Recommendation 2.3 and other facts, information and circumstances deemed by the Board to be relevant. The Company currently has a majority of independent directors.

An independent director is a non-executive director and:

- (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or other group member other than as a director of the Company;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

During the financial year and to the date of this report the board was comprised of the following members: Mr Peter

Christie	Chairman
Mr Johnathon Busing	Non-Executive Director
Mr David Sanders	Non-Executive Director

The Company considers that each of the directors possesses the skills and experience suitable for building the Company. The current composition of the Board is considered appropriate in the circumstances.

The Company has two independent Directors being Mr Peter Christie and Mr David Sanders. Mr Johnathon Busing is not independent due to his consultancy relationship with the Company.

**Recommendation 2.5:**

*The Chair of the Board should be an independent director and should not be the CEO of the Company.*

Given the size and scale of operations in the year to 30 June 2020, the Company did not have a CEO. Mr Christie is an independent director.

**Recommendation 2.6:**

*The Company 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.*

The Company does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of the Company's operations.

All Directors are generally experienced in exploration and mining company operations and have listed company experience. Some of the current Directors are also directors of other listed companies. The Board seeks to ensure that all of its members understand the Company's operations.

Noting the above, the Board considers that a formal induction program is not necessary given the current size and scope of the Company's operations, though the Board may adopt such a program in the future as the Company's operations grow and evolve.

### **Principle 3: Act ethically and responsibly**

#### **Recommendation 3.1:**

*Companies should have a Code of Conduct for its directors, senior executives and employees.*

The Company has implemented a Code of Conduct (Appendix 2, Board Charter – Caeneus website), which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All directors are expected to:

- respect the law and act in accordance with it;
- maintain high levels of professional conduct;
- respect confidentiality and not misuse Company information, assets or facilities;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of their community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

### **Principle 4: Safeguard Integrity in Financial Reporting**

#### **Recommendation 4.1**

*The Board should have an Audit Committee.*

Due to the current size of the board, the functions of the Audit and Risk Committee are discharged by the board as a whole. The board reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval. The board each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The board as a whole is also responsible for establishing policies on risk oversight and management

#### **Recommendation 4.2**

*The Board of the Company should, before it approves the Company'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.*

It is the board's policy, that the CEO (or equivalent) and the CFO (or equivalent) make the attestations recommended by the CGC as to the Company's financial condition prior to the board signing the Annual Report. The role of the CEO was discharged by Chairman Peter Christie and the role of the CFO was discharged by Non-Executive Director Mr Johnathon Busing during the year ended 30 June 2020. The certification required in accordance with section 295A of the Corporations Act is provided by Messrs Christie and Busing prior to acceptance by the board as a whole. The board has received assurance that the declaration provided in accordance with section 295A of the Corporations Act 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.

### **Recommendation 4.3**

*The Company should ensure that the external auditor is present at the AGM and be available to answer questions from security holders relevant to the audit.*

The Company invites the auditor or representative of the auditor to the AGM in accordance of the requirements of Section 250RA of the Corporations Act 2001 (Cth) and is available to answer questions relevant to the audit.

### **Principle 5 – Make timely and balanced disclosure**

#### **Recommendation 5.1:**

*Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.*

The board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules which is available on the Company's website. The board has designated the company secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company's Continuous Disclosure Policy is located on its website.

### **Principle 6 – Respect the rights of security holders**

#### **Recommendation 6.1:**

*Companies should provide information about itself and its governance to investors via its website.*

The Company is committed to maintaining a Company website with general information about the Company and its operations, information about governance and information specifically targeted at keeping the Company's shareholders informed about all major developments affecting the Company's state of affairs.

#### **Recommendation 6.2:**

*Companies should design and implement an investor relations program to facilitate two-way communication with investors.*

The Company has a Shareholder Communication Policy which is available on the Company's website. Through this the Board aims to ensure that the shareholders are informed of the Company's governance and all major developments affecting the Company's state of affairs. Information is communicated to shareholders through the:

- Company website;
- ASX Company Announcements platform;
- Quarterly Operational and Cash-flow reports;
- Half-year Financial Report;
- Annual Report;
- Investor Presentations;
- Shareholder meetings; and
- Other correspondence from time to time regarding matters impacting on shareholders.

#### **Recommendations 6.3:**

*Companies should disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.*

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through its website, quarterly, interim and annual reports, market announcements via ASX, notices of meetings and the annual general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information. The Company's Shareholder Communication Policy is available on the Company's website.

#### **Recommendations 6.4:**

*Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

In accordance with the Company's Shareholder Communications Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation. The Company will use general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner. In accordance with the Shareholder Communication Policy, the Company has, as a matter of practice, provided new shareholders with the option to receive communications from the Company electronically and the Company encourages them to do so. Existing shareholders are also encouraged to request communications electronically. All shareholders that have opted to receive communications electronically are provided with notifications by the Company when an announcement or other communication (including annual reports, notices of meeting etc.) is uploaded to the ASX announcements platform.

#### **Principle 7 – Recognise and manage risk**

##### **Recommendation 7.1:**

*The Board should have a committee or committees to oversee risk.*

The Company does not have a separate risk management committee. The role of the risk management committee is undertaken by the full Board. The Board considers that, given the current size and scope of the Company's operations, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.

However, the Board has adopted a Risk Management Policy that sets out a framework for a system of risk management and internal compliance and control, and this is available on the Company's website.

**Recommendation 7.2:**

*The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.*

The Board aims to review annually its material business risks and how its material business risks are being managed. Typically this involves management providing the Board with the Company's Risk Register summarising the significance of each risk as well as actions taken by management to mitigate the risks.

During the past year, due to minimal activities the company did not review its risk register however it has been added as an agenda item in its board meeting due in late 2020.

**Recommendation 7.3:**

*The Company should disclose if it has an internal audit function.*

The Company does not have an internal audit function. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of an internal audit function at this time. The Board as a whole continually evaluates and improves the effectiveness of its risk management and internal control processes, and in doing so is subject to the overall supervision of the board.

**Recommendation 7.4:**

*The Company 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.*

The material risks faced by the Company that could have an effect on the Company's future prospects, include: (a) availability of further funding; (b) exploration and development risks; (c) fluctuations in commodity prices; (d) sovereign risks; (e) Government regulations risks; (f) global financial conditions and (g) environmental and social sustainability risks associated with mineral exploration and development.

The Company's Directors and management continually discuss strategies to manage these risks..

**Principle 8 – Remunerate fairly and responsibly****Recommendation 8.1:**

*The Board should have a Remuneration Committee.*

Due to the current size of the board, the functions of the Remuneration Committee are discharged by the board as a whole. The board as a whole, is charged with the responsibility in respect of establishing appropriate remuneration levels and incentive policies for employees, executives and directors.

The board is responsible for setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Chief Executive Officer (or equivalent), reviewing and amending the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and making recommendations on any proposed changes and undertaking reviews of the Chief Executive Officer's (or equivalent) performance, including, setting with the Chief Executive Officer (or equivalent) goals and reviewing progress in achieving those goals.

As at the date of this report, the Company has no employees and has an Employee Option Plan in place.

**Recommendation 8.2:**

*Companies should separately disclose its policies and practices regarding the remuneration of nonexecutive directors and the remuneration of executive directors and other senior executives.*

The Company's policies and practices regarding the remuneration of Executive and Non-Executive Directors is set out in the Company's Annual Report for each financial year.

**Recommendation 8.3:**

*A Company which has an equity based remuneration scheme should 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 disclose that policy or summary of it.*

To the extent to which any part of remuneration includes an equity component (which expression includes convertible notes, options and any form of derivative instruments emulating equity based risk/reward characteristics) then the employee may not enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of receiving the equity component.

Key management personnel of the Company, and closely related parties to them, may not enter into arrangements that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested, or has vested but remains subject to a holding lock.