



OREXPLORE
TECHNOLOGIES

Corporate Governance Statement

ABN 98 645 505 406

CORPORATE GOVERNANCE STATEMENT

The Board and management of the Company are committed to achieving and maintaining high standards of corporate governance. Given the size and stage of development of the Company, the Board considers that the implementation of all Corporate Governance Recommendations is not currently relevant or suitable for the Company. Copies of relevant corporate governance policies and charters are available in the corporate governance section of the Company's website at www.orexplora.com.

This Corporate Governance Statement is current as at 31 December 2021 and was approved by the Board on 20 April 2022.

Board composition

Details of the skills, experience and expertise relevant to the position of each director and their term of office are set out in the Directors' Report section of the annual report.

The Board sets out below details of those corporate governance matters where the Company's practices depart from Corporate Governance Recommendations.

Recommendation	Current practice
<p>1.1 Disclose the respective roles and responsibilities of the board and management as set out in the board charter; and those matters expressly reserved to the board and those delegated to management.</p>	<p>The Board's primary role is to formulate the strategic direction of the Company and to oversee the Company's business activities and management. The Board Charter sets out the functions reserved for the Board and those delegated to senior management.</p> <p>Some Board functions will be handled through Board committees as and when the size and scale of operations of the Company warrants such Committees.</p> <p>A copy of the Board Charter is available on the Company's website.</p>
<p>1.2 Companies should undertake appropriate checks before appointing a director or senior executive or putting someone forward to security holders 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.</p>	<p>Prior to a candidate being considered for appointment as a director of the Company, relevant enquiries are made as to the person's character, experience, education, criminal record and bankruptcy history. Biographical details and other relevant information on any directors standing for re-election are provided to shareholders in the notice of meeting.</p> <p>These requirements are contained in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website.</p>
<p>1.3 Companies should have a written agreement with each director and</p>	<p>Each director and senior executive of the Company has an agreement in writing with the</p>

Recommendation	Current practice
<p>senior executive setting out the terms of their appointment.</p>	<p>Company, which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities. Non-executive directors are not appointed for a fixed term.</p> <p>These requirements are contained in the Board Charter.</p>
<p>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.</p>	<p>The Board is responsible for the appointment and removal of the Company Secretary. The Board Charter sets out that the Company Secretary is accountable to the Board on all matters relating to the proper functioning of the Board.</p>
<p>1.5 Companies should have and disclose a diversity policy and set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally.</p>	<p>A copy of the Company's Diversity Policy is available on the website. The overriding objective of the Diversity Policy is to align the Company's business operations with the positive outcomes that can be achieved through a diverse workforce that recognises and utilises the contribution of diverse skills and talent.</p> <p>Due to the current size and composition of the Company, the Board does not consider it appropriate to provide measurable objectives in relation to gender diversity. The proportion of female employees in the whole organisation is 21%. There are presently no females in senior executive positions and on the Board.</p> <p>The appropriate mix of skills and diversity for membership of the Board is considered as part of ongoing nomination and succession planning and which recognises the value of balanced gender representation.</p>
<p>1.6 Companies should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and whether a performance evaluation has been undertaken during or in respect of that reporting period.</p>	<p>The Board has adopted a formal process for an annual self-assessment of its collective performance, the performance of individual directors and of Board committees. The Board is required to meet annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. No formal performance evaluation was undertaken during the year as the current Board had only been constituted in the second half of the year.</p>
<p>1.7 Companies should have and disclose a process for evaluating the performance of its senior executives</p>	<p>The performance of senior executives is reviewed annually by the Managing Director through a formal performance appraisal</p>

Recommendation	Current practice
<p>at least once every reporting period; and whether a performance evaluation was undertaken during or in respect of that reporting period.</p>	<p>meeting, incorporating measurement against key performance indicators. No formal appraisals were conducted during the year as the majority of senior management positions were only recently appointed. An annual performance appraisal of the Managing Director will be undertaken by the Chairman and the Managing Director will conduct performance reviews of senior executives. The formal evaluation procedures are set out in the Board Charter.</p>
<p>2.1 The Board should establish a nomination committee.</p>	<p>Due to the current size and composition of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board. A copy of the Remuneration and Nomination Committee Charter is available on the Company's website.</p>
<p>2.2 Companies should have and disclose a board skills matrix.</p>	<p>The Company's objective is to have an appropriate mix of expertise and experience on its Board so that it can effectively discharge its corporate governance and oversight responsibilities. The Board does not maintain a formal matrix of Board skills and experience, however, the diversity of experience and assessment of any gaps in skills and experiences are a key consideration for any proposed appointment to the Board.</p> <p>Details of each director's relevant skills and experience are set out in the annual report.</p>
<p>2.3 Disclose the names of directors who are considered to be independent.</p>	<p>The independent directors of the Company are Stuart Carmichael and Stefan Sädbom. The Board has adopted ASX recommended principles in relation to the assessment of directors' independence.</p> <p>Brett Giroud is not considered independent as he holds an executive position in the Company. Alan Bye is not considered independent due to prior consulting services provided to the Company and also on the basis that Dr Bye holds performance rights in the Company. Kent Swick is not considered independent on the basis that he is a substantial shareholder of the Company.</p> <p>Despite this, the Board believes that Mr Giroud, Dr Bye and Mr Swick are capable of making quality and independent judgements in the</p>

Recommendation	Current practice
	<p>best interests of the Company on all relevant issues before the Board.</p> <p>The Board assesses the independence of Directors on an ongoing basis.</p>
<p>2.4 A majority of the board should be independent directors.</p>	<p>The Board comprises five directors, two of whom are independent. The Company has, at this stage, decided to appoint directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.</p>
<p>2.5 The chair should be an independent director and should not be the same person as the CEO.</p>	<p>Alan Bye is not deemed to be an independent director. The Board believes that Dr Bye is capable of making quality and independent judgements in the best interests of the Company on all relevant issues before the Board. The Chair is expected to bring independent thought and judgement to their role in all circumstances. Where matters arise in which there is a perceived conflict of interest, the Chair must declare their interest and abstain from any consideration or voting on the relevant matter</p> <p>The roles of Chairman and Chief Executive Officer are not combined.</p>
<p>2.6 Companies 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.</p>	<p>New directors are provided with an induction including meetings with key executives, tours of the Company's premises, an induction package and presentations. Induction requirements are included in the Board charter.</p> <p>All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake professional development programs to develop and maintain the skills and knowledge needed to perform their role as directors of the Company.</p> <p>Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which will not be unreasonably withheld.</p>

Recommendation	Current practice
<p>3.1 Companies should articulate and disclose their values</p>	<p>The Board has adopted a statement of core values with the primary objective for the Company to be a successful minerals analysis and technology company, providing benefits to all stakeholders through the consistent application of technical excellence and responsible and sustainable industry practices.</p> <p>A copy of the Company's statement of values is available on the Corporate Governance section of the Company's website.</p>
<p>3.2 Companies should have and disclose a code of conduct and ensure that the board is informed of any material breaches of that code.</p>	<p>A Code of Conduct has been established which applies to all directors and employees, to guide compliance with the legitimate interests of all stakeholders. Material breaches of the code must be reported to the Board.</p> <p>A copy of the Code of Conduct is available on the Company's website.</p>
<p>3.3 Companies should have and disclose a whistleblower policy and ensure that the board is informed of any material incidents reported under that policy.</p>	<p>The Company has established a Whistleblowing Policy for the legitimate reporting of illegal or unethical practices by company employees. Any material incidents are to be reported to the Board. A copy of the Whistleblowing Policy is available on the Company's website.</p>
<p>3.4 Companies should have and disclose an anti-bribery and corruption policy and that the board is informed of any material breaches of that policy.</p>	<p>The Company has established an Anti-Bribery and Anti-Corruption Policy to provide a framework for the Company to conduct its business activities fairly, honestly and with integrity and in compliance with all applicable laws, rules and regulations. Any material breaches under the policy are required to be reported to the Board. A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Company's website.</p>
<p>4.1 The Board should have an audit committee.</p>	<p>As a consequence of the current size and composition of the Board, the Board has elected not to establish a stand-alone Audit Committee. Matters typically dealt with by an Audit Committee are dealt with by the full Board.</p> <p>The Company's procedures for the selection and appointment of the external auditor and the rotation of external audit partners are set out in the Audit Committee Charter, which is available on the Company's website.</p>

Recommendation	Current practice
<p>4.2 The board should receive a declaration from the CEO and CFO that financial records 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>The Board requires that the Chief Executive Officer and Chief Financial Officer provide a declaration prior to the approval of the Company's financial statements for each financial reporting period.</p>
<p>4.3 Companies should disclose their process to verify the integrity of any periodic corporate report they release to the market that is not audited or reviewed by an external auditor.</p>	<p>Quarterly and other periodic financial reports for release to the market are reviewed by the Managing Director before being presented to the Board for review and approval. Such reports are not to be released to the market without this review and approval process by executive management and the Board.</p>
<p>5.1 Companies should have and disclose a written policy for complying with their continuous disclosure obligations under the Listing Rules.</p>	<p>The Board recognises the obligations of continuous disclosure and the Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. A copy of the Continuous Disclosure Policy is available on the Company's website.</p>
<p>5.2 Directors should receive copies of all material market announcements promptly after they are released.</p>	<p>The Continuous Disclosure Policy requires that all members of the Board are to promptly receive copies of all material market announcements issued by the Company.</p>
<p>5.3 Companies that give a new and substantive investor presentation should release a copy of the presentation materials on the ASX ahead of the presentation.</p>	<p>The Continuous Disclosure Policy sets out the requirement for any material investor or analyst presentations intended to be made by the Company to be firstly released to the ASX.</p>
<p>6.1 Provide information about itself and its corporate governance policies via its website.</p>	<p>Information relating to the Company and its governance practices is available on the Company's website.</p>
<p>6.2 Companies should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>The Board has adopted a written policy covering arrangements to promote communications with shareholders. A copy of the Shareholder Communications Policy is available on the website.</p>

Recommendation	Current practice
<p>6.3 Disclose how the company facilitates and encourages participation at meetings of security holders.</p>	<p>The Shareholder Communications Policy sets out policies and practices to encourage effective participation by shareholders at general meetings of the Company.</p>
<p>6.4 All substantive resolutions at a meeting of security holders should be decided by a poll rather than by a show of hands.</p>	<p>The Company ensures that any substantive resolutions to be considered at shareholders meetings are decided by a poll rather than by a show of hands.</p>
<p>6.5 Give security holders the option to receive communications from and send communications to the Company and its security registry electronically.</p>	<p>The Company and the share registry offer mechanisms for electronic communication by shareholders, including an e-mail alert facility available through the Company's website. Requirements are contained in the Shareholder Communications Policy.</p>
<p>7.1 The board should have a committee or committees to oversee risk.</p>	<p>Given the current size and level of activities of the Company, the Board has elected not to establish a separate risk committee. The Board as a whole has responsibilities typically assumed by a risk committee, including but not limited to (i) ensuring that an appropriate risk management framework is in place and is operating effectively; and (ii) reviewing and monitoring legal and policy compliance systems and issues.</p> <p>Therefore, matters typically dealt with by a risk committee are dealt with by the full Board.</p> <p>The Company is developing procedures for the oversight and management of material business risks arising within the minerals analysis and technology industry.</p> <p>Details of risk management practices are set out in the Risk Management Policy in the corporate governance section of the website.</p>
<p>7.2 The board or a committee of the board should review the Company's risk management framework at least annually and that the company is operating with due regard to the risk appetite set by the board; and disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company is committed to the identification, monitoring and management of risks associated with its business activities and is developing policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy, which is available in the corporate governance section of the website.</p> <p>Under the Risk Management Policy, the Board reviews all major strategies to assess their impact on the risks facing the Company. The</p>

Recommendation	Current practice
<p>7.3 Disclose whether the Company has an internal audit function.</p>	<p>Company also undertakes an annual review of operations to update the Company's risk profile, which normally occurs in conjunction with the strategic planning process. No annual review occurred during the reporting period. The Board also undertakes an annual review of the risk areas identified in the Risk Management Policy.</p> <p>The Company does not have an independent internal audit function. Due to the nature and size of the Company's current operations, the additional costs of an independent internal auditor are not considered to be appropriate. The Board performs all key elements of an internal audit function</p> <p>Senior management periodically undertake internal reviews of financial and operating systems and processes. External reviews of specific business activities or processes are undertaken as required.</p> <p>Operational, financial, legal, compliance, strategic and reputational risks are managed primarily by senior executives as part of the day-to-day management of the Company's affairs. The support of relevant external professional advisers is engaged as required.</p>
<p>7.4 Disclose whether the Company has any material exposure to environmental or social risks and how it manages those risks.</p>	<p>The Company undertakes mineral analysis technology and related activities and faces risks inherent in its business operations, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for shareholders.</p> <p>Material risks associated with economic, environmental and social sustainability are included in the Company's risk register to ensure that they form part of a robust risk assessment and management process.</p> <p>The Company is continuing to develop policies and procedures to identify, report and manage business risks as part of its management information and reporting systems.</p>
<p>8.1 The Board should establish a remuneration committee.</p>	<p>Given the size and composition of the Board, the Board has elected not to establish a stand-alone Remuneration Committee at this stage. The</p>

Recommendation	Current practice
	<p>Board as a whole has responsibilities typically assumed by a remuneration committee.</p> <p>A copy of the Remuneration and Nomination Committee charter is available on the Company's website.</p>
<p>8.2 Disclose the Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company's remuneration policies are designed to align the interests of executive directors and management with the interests of shareholders and the Company's objectives by providing a fixed remuneration component and where appropriate, offering specific short-term (cash bonuses) and long-term (equity schemes) incentives linked to performance.</p> <p>The structure for the remuneration of non-executive directors and senior executives is separate and distinct.</p> <p>Details of the remuneration policies and practices are set out in the Remuneration and Nomination Committee charter.</p>
<p>8.3 If a company has an equity-based remuneration scheme it 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.</p>	<p>Under the Company's Securities Trading Policy, directors, officers and employees of the Company are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the Company's employee equity scheme.</p>
<p>9.1 Where a director who does not speak the language in which board or security holder meetings are held, companies should disclose the processes in place to ensure the director understands and can contribute to the discussions at those meetings.</p>	<p>In the event that a director of the Company is not proficient in the English language, board and corporate documents will be translated into the director's native language and a translator is to be present at all relevant board and shareholder meetings.</p>
<p>9.2 Companies established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>The Company ensures that shareholders meetings are convened at places and times convenient for attendance by shareholders.</p>
<p>9.3 Companies established outside Australia should ensure that their external auditor attends their AGM and is available to answer questions</p>	<p>Under the Continuous Disclosure Policy, the Company's external auditor is required to attend annual general meetings and be available to answer shareholder questions about the</p>

Recommendation

from security holders relevant to the audit.

Current practice

conduct of the audit and the preparation and content of the audit report

Further information about the Company's corporate governance practices is set out on the Company's website at <https://www.orexplore.com/corporate-governance/>.