

King Island Scheelite Limited ABN 40 004 681 734

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council¹ have been applied. King Island Scheelite Limited ABN 40 004 681 734 (**Company**) is a small company with limited operations. Accordingly, the Board considers that many of the corporate governance guidelines intended to apply to larger companies are not practical for the Company.

Where reported that the Company has not complied with the ASX Corporate Governance Council Principles and Recommendations, these were not followed and alternative practices were adopted.

The Corporate Governance Statement is dated 13 August 2021 and was approved on 13 August 2021 by the Company's Directors.

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
1.1 A listed entity should have and disclose 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.	Does not comply	<p>The Board is accountable to shareholders for the performance of the Company and has overall responsibility for its operations.</p> <p>The Board's primary objective is to protect and enhance shareholder value within a defined, informed structure, which protects the rights and interests of shareholders and other stakeholders by ensuring that the Company and its controlled entities are properly managed.</p> <p>The Board, together with senior management, is responsible to shareholders and other stakeholders for the Company's total business performance.</p> <p>Management of the business of the Company is conducted by officers and employees to whom the management function is delegated by the Board.</p> <p>Management is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board.</p> <p>In carrying out their responsibilities, Management must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operating results.</p> <p>The Company's current structure does not support the employment of a senior Chief Executive Officer.</p> <p>A General Manager, Project Development and Operations, is employed as part of the redevelopment of the Company's 100% owned Dolphin Project.</p> <p>Management members shall be required to state in writing to the Board that the financial reports of the Company represent a true and fair view in all material respects, of the Company's financial conditions and operating</p>	The Company does not have a board charter, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.

¹ Corporate Governance Principles and Recommendations 4th Edition 2019 ASX Corporate Governance Council.

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
		results and are in accordance with relevant accounting standards.	
1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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.	Complies	<p>The Company has not previously undertaken checks of the person's character, experience, education, criminal record and bankruptcy history before appointing a person, as the incumbent Directors have known each other for over 20 years. The Company will perform these checks on any new appointments.</p> <p>The Company provides security holders with material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Not applicable
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies		Not applicable
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.	Complies		Not applicable
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 objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that	Does not comply	<p>The Company does not have a diversity policy.</p> <p>The Company makes each staff appointment after consideration of each candidate's qualifications, experience and proven competence, whilst conscientiously avoiding any discrimination on the basis of, but not limited to, race, creed, colour, gender, age, marital status, religion or physical impairment.</p> <p>The Company has no women on its Board.</p> <p>The Company's Chief Financial Officer is a woman.</p> <p>The Company is not a "relevant employer" under the <i>Workplace Gender Equality Act 2012</i> (Cth).</p>	<p>The Company does not have a diversity policy, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.</p> <p>The Company will apply its best endeavours for achieving gender diversity in the future.</p>

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>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 the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>			
<p>1.6 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;</p>	<p>Complies</p>	<p>An independent Board evaluates performance of directors.</p> <p>Potential nominations to the Board are assessed by the full Board. The Board may appoint a nominations or remuneration committee.</p> <p>The Board undertakes self-assessment of its collective performance. Individual</p>	<p>Not applicable</p>

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<p>performance is evaluated by the full Board.</p> <p>A performance evaluation was not undertaken during the year ended 30 June 2021.</p>	
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for 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 has been undertaken in accordance with that process during or in respect of that period.</p>	Complies	<p>The Board evaluates performance of senior executives.</p> <p>Individual performance is evaluated by the Board.</p> <p>The Board may appoint a nominations or remuneration committee.</p> <p>The Board undertakes assessment of collective and individual performance.</p> <p>A performance evaluation was not undertaken during the year ended 30 June 2021.</p>	Not applicable
<p>2.1 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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the</p>	Does not comply		<p>The small size of the Company does not warrant the formation of a Nomination or Remuneration Committee at this time. Appointments are considered by the full Board.</p>

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>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>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Does not comply</p>	<p>The Company has not developed a “skills matrix” to identify any gaps in the collective skills of the Board.</p>	<p>The small size of the Company does not warrant the development of a “skills matrix” - reflecting the Company’s small size and close interaction of the small number of individuals throughout the organisation.</p> <p>Each director’s background and skills are reported in the Company’s annual report.</p>
<p>2.3 A listed entity should</p>	<p>Complies</p>	<p>The Board consists of three Directors (Messrs</p>	<p>Not applicable</p>

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>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, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position 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>Jacobs – appointed 30 November 2012, Ellis - appointed 8 November 2012 and Hancock – appointed 26 February 2019), and two are executives (Messrs Jacobs and Ellis).</p> <p>Entities related to Messrs Jacobs, Ellis and Hancock each consult to the Company, as required.</p> <p>An entity related to Mr Ellis is a substantial shareholder of the Company.</p> <p>Messrs Jacobs and Ellis are not independent.</p> <p>Mr Hancock’s consulting to the Company is not material, and he is not a substantial shareholder. Mr Hancock is considered an independent director.</p>	
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>Does not comply</p>		<p>The small size of the Company does not warrant a majority of independent directors.</p>
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Does not comply</p>		<p>The small size of the Company does not warrant the appointment of a separate CEO. Two directors (Messrs Jacobs and Ellis) perform management functions.</p>
<p>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</p>	<p>Does not comply</p>		<p>The small size of the Company and infrequency of new director appointments do not warrant a new director induction program</p>

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance	
	needed to perform their role as directors effectively.			
3.1	A listed entity should articulate and disclose its values.	Does not comply		The Company does not have a formal code of conduct, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.
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.	Does not comply		The Company does not have a formal code of conduct, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.
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.	Does not comply		The Company does not have a whistleblower policy, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Does not comply		The Company does not have an anti-bribery and corruption policy, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three 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 members 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</p>	<p>Does not comply</p>	<p>The Company's Audit Committee comprises the full Board. The Chairman of the Audit Committee is also the Chairman of the Board.</p> <p>The Audit Committee meets at least twice a year. The attendees are the Audit Committee Members, External Auditor, Company Secretary and Chief Financial Officer.</p> <p>The Audit Committee does not have a charter.</p> <p>Relevant qualifications and experience of the members of the committee, and individual attendances at committee meetings, are disclosed by the Company's annual report.</p>	<p>The Audit Committee structure is considered commercially cost effective, and appropriate to the Company's small size and structure.</p>

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
4.2	Complies	<p>As is required by section 295A of the <i>Corporations Act 2001</i> (Cth), the Executive Chairman and CFO make 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.</p> <p>The Company extended the section 295A declaration to include the declaration that:</p> <ul style="list-style-type: none"> (a) The opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively; and (b) It is in respect of the Company's financial statements for any financial period. 	Not applicable
4.3	Complies	All periodic corporate reports the Company releases to the market that are not audited, or reviewed by an external auditor, are distributed to all Directors, relevant senior executives and consultants for review and confirmation before release.	Not applicable
5.1	Does not comply	<p>Security holders are informed of all material developments that impact on the Company. Detailed continuous disclosure policy is intended to maintain the market integrity and market efficiency of the Company's shares listed on the ASX.</p> <p>Management is required to report any matter that may require disclosure under the Company's continuous disclosure obligations.</p>	The Company does not have a formal continuous disclosure policy, reflecting the Company's small size and close interaction of the small number of individuals

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
		<p>The General Manager, Project Development and Operations, Company Secretary and Chief Financial Officer are also each required to report at each Board meeting on continuous disclosure.</p> <p>The continuous disclosure process ensures compliance with the Company's continuous disclosure and reporting obligations, consistent with the Listing Rules and <i>Corporations Act 2001</i> (Cth).</p>	throughout the organisation.
5.2	Complies	Each Director automatically receives an emailed copy of the Company's market announcements.	Not applicable
5.3	Complies	Materials for new or substantive investor presentations are lodged on the ASX Market Announcements Platform ahead of the presentation.	Not applicable
6.1	Complies	<p>The Company aims to convey to its shareholders pertinent information in a factual, timely, regular and detailed manner.</p> <p>The Board ensures that the annual report includes relevant information about the operations of the Company during the year, and changes in the state of affairs of the Company, in addition to the other disclosures required by the <i>Corporations Act 2001</i> (Cth).</p> <p>Information is communicated to shareholders by the Company through:</p> <ol style="list-style-type: none"> 1. Placement of market announcements on the Company's web-site http://www.kingislandscheelite.com.au; 2. The annual and interim financial reports (for those shareholders who have requested a copy); 3. Disclosures to the Australian Securities Exchange and the Australian Securities & Investments Commission; 4. Notices and explanatory memoranda of 	Not applicable

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance	
		<p>annual general meetings; and</p> <p>5. The Invitation to attend and raise questions at the Annual General Meeting.</p> <p>All shareholders are welcome to communicate directly with the Company.</p> <p>All queries will be answered in a timely fashion to the maximum extent possible (with consideration given to commercially sensitive information, privacy requirements and the Company's disclosure obligations).</p>		
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Complies	<p>The Company's management undertakes ongoing contacts with investors, encouraging two-way communication.</p> <p>There is no formal investor relations program, reflecting the Company's small size.</p> <p>With future approval of the Dolphin Project and initiation of Project funding, the Company would expect to design and implement a formal investor relations program.</p> <p>Security holders are encouraged to provide the Company with their email contact details.</p> <p>The Company's securities registry (Computershare) maintains a record of security holders' email addresses.</p>	Not applicable
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complies	Refer Recommendation 6.1 above.	Not applicable
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complies	<p>The Company's Constitution states that no poll may be demanded on the election of a chairman of a meeting. Otherwise, a poll may be demanded by:</p> <ul style="list-style-type: none"> (i) the chairman; (ii) at least five members entitled to vote on the resolution; or (iii) by members with at least 5% of the votes that may be cast on the resolution on a poll. <p>If a poll is duly demanded at a general meeting, it must be taken in the way and either at once or after an interval or adjournment as the chairman of the meeting directs. The result of the poll as declared by the chairman is the resolution of the meeting at which the poll was demanded.</p>	Not applicable

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
		<p>The demand for a poll may be withdrawn with the chairman's consent.</p> <p>The Company is complying with section 10 of ASX Guidance Note 35, that all ASX Listing Rule resolutions are to be decided by a poll rather than by a show of hands.</p>	
6.5	Complies	Refer Recommendation 6.1 above.	Not applicable
7.1	Does not comply	<p>The Audit Committee has the responsibility to establish policies on the system of internal control and management of financial and business risks.</p> <p>Risk matters are raised with the Audit Committee, which in turn manages these matters raised and reports to the full Board.</p>	This Audit Committee structure is considered commercially cost effective, and appropriate to the Company's small size and structure.

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
<p>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>7.2 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>	Complies	<p>During the year ended 30 June 2021, the Board managed the Company's material business risks.</p> <p>The Company is required to regularly review procedures and ensure timely identification of disclosure material and materiality thresholds.</p> <p>Materiality judgments are made on a case-by-case basis, when all the facts are available.</p> <p>When establishing a preliminary assessment of materiality, the Company has regard to:</p> <p>(a) the reliability of management information;</p> <p>(b) factors which may indicate deviations from normal activities; and</p> <p>(c) qualitative factors which impact on the materiality of individual misstatements, to assess:</p> <p>(1) the significance of the misstatement to the particular entity;</p> <p>(2) the pervasiveness of the misstatement; and</p> <p>(3) the effect of misstatement.</p>	Not applicable
<p>7.3 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</p>	Complies	<p>The Company does not have an internal audit function.</p> <p>Refer Recommendation 7.1 above.</p>	Not applicable

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance	
	governance, risk management and internal control processes.			
7.4	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.	Complies	Refer Recommendation 7.1 above.	Not applicable
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</p>	Does not comply	<p>The Company does not have a remuneration committee.</p> <p>Remuneration is determined by:</p> <p>(a) the Board - for Directors; and</p> <p>(b) Executive Directors - for senior executives.</p> <p>Non-executive director fees are set within the aggregate amount approved by shareholders.</p> <p>Any structure for equity-based remuneration must be commercially cost effective, and appropriate to the Company's small size and structure.</p> <p>There is regard for the performance of duties to any published guidelines or recommendations regarding the remuneration of directors and senior executives of listed companies and formation and operation of share option schemes, which are considered relevant or appropriate.</p> <p>Remuneration reflects the demands on and responsibilities of our directors and senior executives. Directors and senior executives are remunerated by way of:</p> <p>(a) Salaries;</p> <p>(b) Consulting fees;</p> <p>(c) Any statutory remuneration (superannuation, annual leave, and long service leave); and</p> <p>(d) Participation in equity-based remuneration.</p> <p>Directors and senior executives do not receive any bonus payments.</p> <p>There are no schemes for retirement benefits, other than any statutory superannuation, annual leave and long service leave.</p>	Applying alternative processes, rather than engaging a remuneration committee, is considered commercially cost effective; and appropriate to the Company's small size and structure.

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance	
	<p>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>			
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>Complies</p>	<p>Refer Recommendation 8.1 above.</p>	<p>Not applicable</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>Does not comply</p>	<p>Refer Recommendation 8.1 above</p>	<p>The Company has no equity-based remuneration scheme policy, reflecting the Company's small size.</p> <p>The Board makes decisions on the structure of the Company's equity-based remuneration scheme.</p>
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those</p>	<p>Not applicable</p>	<p>English is the language in which board and security holder meetings are held and key corporate documents are written.</p> <p>All Directors and senior executives are fluent in written and spoken English.</p>	<p>Not applicable</p>

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Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
meetings and understands and can discharge their obligations in relation to those documents.			
9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable	The Company is established solely in Australia.	Not applicable
9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable	The Company is established solely in Australia.	Not applicable
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	Not applicable		Not applicable
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly</p>	Not applicable		Not applicable

King Island Scheelite Limited Corporate Governance Statement (continued)

Corporate Governance Council recommendation	Compliance	Details	Disclosure Requirement for Non-Compliance
disclose the terms governing the remuneration of the manager.			