



SOLSTICE

MINERALS LIMITED

Corporate Governance Statement

2022

ACN 150 154 162

Corporate Governance Statement 2022

Solstice Minerals Limited (**Company**) ACN 150 154 162 has established a corporate governance framework designed to ensure the Company is effectively managed, regulatory obligations are met and the Company is managed in an appropriate manner to meet the expectations of stakeholders.

This Corporate Governance Statement outlines the main features of the Company's governance framework, reporting against the recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (**Principles and Recommendations**). The Company follows each recommendation where the Board considers the recommendation to be an appropriate benchmark for its corporate governance practices. The Principles and Recommendations recognise that different companies may legitimately adopt different governance practices based on a range of factors including size, complexity, history and corporate culture. In accordance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has outlined its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Company has the following Board members:

Mr Craig Williams	Non-Executive Chairman
Mr Alastair Morrison	Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director
Mr Matthew Yates	Non-Executive Director

Principle 1: Lay solid foundations for management and oversight

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.

The role of the Board is to approve the overall strategy of the Company and its controlled entities and to provide guidance and leadership to, and monitoring of the officers and senior personnel engaged in executive roles in achieving that strategy for the benefit of the Company's shareholders, always within a framework of good corporate governance.

Given the current size and operations of the business, the Board currently undertakes an active role. The Board Charter is available on the Company's website here: www.solsticeminerals.com.au.

The Board has responsibility for, and has the authority to determine, all matters relating to policies, practices, management, and operations of the Company. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Company. The Executive Director (**ED**) is responsible to the Board for the day-to-day management of the Company. Specific responsibilities may be delegated by the ED to officers and senior personnel engaged in executive roles (**Executive Management**).

The Board has sole responsibility for the following:

- determining the vision, mission, values and objectives of the Company;
- formulating short-term and long-term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet those objectives;

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- appointing and approving the terms and conditions of employment (including remuneration and participation in equity and other incentive plans) of the ED and approving the terms and conditions of employment (including remuneration and participation in equity and other incentive plans) of other members of Executive Management;
- establishing and determining the powers and functions of the committees of the Board ('Committees'), including the Audit and Risk Committee and the Remuneration and Nomination Committee;
- reviewing and providing feedback on the performance of the ED and reviewing the performance of other members of Executive Management;
- reviewing the performance of the Board, individual Directors and Committees;
- endorsing the terms and conditions of employment of those employees reporting to Executive Management;
- fostering an appropriate culture for the Company that is directly aligned to its vision, mission, values, strategies and objectives;
- satisfying itself that the Company has in place an appropriate risk management framework and setting the risk appetite within which Executive Management is expected to operate;
- approving the annual budget of the Company and variations thereto;
- approving major operating and capital budgets of the Company, and material variations to these budgets;
- authorising expenditure approval limits for the ED and authorising expenditure in excess of these discretionary limits;
- approving all debt and equity financings by the Company;
- approving all mergers, acquisitions and disposals of projects and businesses;
- considering the reports from Committees and the recommendations made;
- reviewing annually the progress and performance of the Company towards meeting its objectives;
- reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;
- authorising the issue of securities and any other equity or debt instruments of the Company;
- approving processes, procedures and internal control systems to ensure that the Company's financial results are reported on a timely and accurate basis;
- approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;
- monitoring procedures to ensure that ASX is promptly and adequately informed of all matters considered to be material, in accordance with the Company's continuous disclosure obligations;
- overseeing the Company's approach to corporate governance issues;
- ensuring an appropriate framework exists for relevant information to be reported by Executive Management to the board and whenever required, challenging Executive Management and holding it to account;
- monitoring developments in the Company's industry and general operating environment; and
- encouraging effective communication between the Company and its shareholders, employees and the general public.

The Board's role and the Company's corporate governance practices will be continually reviewed and improved as required.

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**

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- (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.**

The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

The Remuneration and Nomination Committee will assist the Board with the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nomination Committee will ensure that appropriate background checks are undertaken. Candidates will be assessed through interviews, meetings and background and reference checks as appropriate. Shareholders will be provided with all material information in the Board's possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including the Notice of Meeting, and the Director details in the Directors' Report.

1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has a written agreement with each Director setting out the terms of their appointment. The Company also has a written agreement with all permanent and casual employees of the Company, including the Executive Director and the Exploration Manager. For a certain period of time following the Company's demerger from OreCorp Limited (**OreCorp**), there will be a transitional services agreement between the two entities, pursuant to which certain services, such as those relating to company secretarial, legal and chief financial officer services are provided through OreCorp.

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.

The Company Secretary is directly accountable to the Board, through the Chairman, on all governance matters. The Company Secretary works closely with the Chairman to manage the flow of information between the Board and its Committees. The appointment and removal of the Company Secretary is subject to Board approval and all Directors have access to the advice and services provided by, the Company Secretary.

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 period to achieve gender diversity;**
 - (2) the entity's progress towards achieving those objectives; and**
 - (3) either:**
 - (1) 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**
 - (2) 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.**

The Company has adopted a Diversity & Inclusion Policy, a copy of which is available on the Company's website at www.solsticeminerals.com.au. The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success will be the result of the quality and skills of its people.

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The Company is committed to workplace diversity and inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, political beliefs, religious beliefs, cultural background, socio-economic background, perspective and experience, or any other area of potential difference.

The Company's policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, political beliefs, religious beliefs, cultural background, socio-economic background, perspective, experience or any other area of potential difference. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance. The Company recognises the benefits arising from its commitment to diversity and inclusion.

The Company's strategies include:

- identifying specific factors to take into account in recruitment and selection processes to encourage diversity and inclusion, thereby recruiting from a diverse pool of candidates for all positions, including the Board as well as members of Executive Management, while complying with local laws and regulations;
- considering programs to assist in the development of a broad and diverse pool of skilled and experienced employees;
- maintaining a remuneration framework which ensures pay equality across roles and grades of employees based on individual performance, experience, location of role and job nature;
- reviewing succession plans to ensure an appropriate focus on diversity and inclusion;
- providing flexible working arrangements across all levels of the Company, to the extent practically possible, taking into account the nature of the work performed; and
- developing a culture which takes account of domestic responsibilities of all employees.

The Board is accountable for ensuring this Policy is effectively implemented. However, supporting workplace diversity and inclusion is the responsibility of everyone engaged in activities under the Company's control.

Given the current size and stage of development of the Company, measurable objectives for achieving gender diversity have not been established and this is noted as a departure by the Company from the Principles and Recommendations. As the Company's activities increase in size, scope and/or nature, this position will be reviewed by the Board and amended as appropriate.

The Board will monitor the extent to which the level of diversity within the Company is appropriate on an ongoing basis and will periodically consider measures to improve it. The Board will further consider the establishment of objectives for achieving gender diversity as the Company develops and its circumstances change.

The Company will report the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce as at the end of each reporting period.

1.6 A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

The Board has a process for reviewing its performance and that of its individual Non-Executive Directors, Committees and Executive Management. The Board will meet annually to review the outcome of this process.

The annual procedure for Board performance evaluation is to review:

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- its performance against the terms of the Board Charter;
- the performance of Committees against the terms of their charters;
- the contribution of each Director and performance of the Board;
- changes that may be required to the Board Charter or any Committee Charters, taking into consideration the developments in the Company and its businesses over the preceding year, and in corporate governance practices.

Opportunities will also be provided for Directors to give private feedback on Board effectiveness, to the Chairman of the Remuneration and Nomination Committee. Further, the Chairman has implemented a review system whereby each Director will complete a board evaluation assessment on an annual basis which reflects Board performance for the relevant financial period ended 30 June. The Board will monitor the scope and detailed procedures involved in this performance evaluation to ensure it is relevant in relation to industry and market expectations and to its peers.

An initial performance evaluation will be undertaken in June 2022 in respect of the current reporting period in accordance with the disclosed process.

1.7 A listed entity should:

- have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and**
- disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

It is the responsibility of the Remuneration and Nomination Committee to oversee an annual performance evaluation of the Company's executive team, including the ED. The evaluation will be based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management personnel.

An initial performance evaluation will be undertaken in June 2022 in respect of the current reporting period in accordance with the evaluation process.

Principle 2: Structure the board to be effective and add value

2.1 The board of a listed entity should:

- have a nomination committee which:**
 - has at least three members, a majority of whom are independent directors; and**
 - is chaired by an independent director, and disclose:**
 - the charter of the committee;**
 - the members of the committee; and**
 - 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**
- 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.**

The Board established a Remuneration and Nomination Committee (**RN Committee**) in February 2022. The RN Committee comprises the following Directors:

Name	Role	Independent?
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Robert Rigo	Chair	Yes
Alastair Morrison	Member	No
Michael Klessens	Member	Yes

The Company will report the number of times the RN Committee met throughout the period and the individual members' attendances as at the end of each reporting period.

Details of the Directors' qualifications and experience are disclosed on the Company's website at www.solsticeminerals.com.au.

The Remuneration and Nomination Committee Charter is available on the Company's website at www.solsticeminerals.com.au.

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.

The membership of the Board, its activities and composition will be subject to periodic review. The Board will review the capabilities, technical skills and personal attributes of its members and maintain a Board Skills Matrix as part of its performance review processes. It will review the Board's composition against those attributes and recommend any changes in Board composition that may be required. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

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The mix of skills comprised in the current Board, and which the Board would look to maintain, and build on, includes:

Identified Skills	Specific Skills	General Skills	Gap Analysis
Work experience	5	-	Board has strong capability in this area
Australian operating experience	5	-	Board has strong capability in this area
Gold and base metals industry experience	5	-	Board has strong capability in this area
Directors' duties	5	-	Board has strong capability in this area
Ethics and integrity	5	-	Board has strong capability in this area
Board participation	5	-	Board has strong capability in this area
Availability and dependability	5	-	Board has strong capability in this area
Compatibility	5	-	Board has strong capability in this area
Good judgement	5	-	Board has strong capability in this area
Investor relations	4	1	No gaps identified
Corporate transactions	4	1	No gaps identified
Funding mechanisms and treasury	4	1	No gaps identified
General Skills:			
Geology	3	2	No gaps identified
Engineering and processing	2	3	No gaps identified
Accounting and financial	1	4	No gaps identified
Legal	-	5	Although the Board does not have any direct legal experience it is well supported by in-house legal counsel and an international legal firm (Allen & Overy)
Human resources	2	3	No gaps identified
Operations	3	2	No gaps identified
Business planning	4	1	No gaps identified
Corporate governance	5	-	Board has strong capability in this area
Strategic fit	5	-	Board has strong capability in this area
Diversity	-	5	Diversity is part of the Board recruitment policy (although the Board's primary objective will be to secure the best person for the job)

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2.3 A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position or relationship of the type described in Box 2.3 (factors relevant to assessing the independence of a director) 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
- (c) the length of service of each director.

The Board has followed the Principles and Recommendations when assessing the independence of the Directors and has adopted the following definition of “independent”:

“An independent Director is a Director who is free from any interest, position, or relationship that might influence – or could reasonably be perceived to influence, in a material respect – their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole (rather than in the interests of an individual securityholder or other party)”.

None of the Directors who have been determined to be independent have an interest, position or relationship of the type described in Box 2.3 of the Principles and Recommendations.

As at the date of this Corporate Governance Statement, the Board consisted of:

Name	Role	Independent?	Length of service
Craig Williams	Non-Executive Chairman	Yes	Appointed 24 Sep 2021
Alastair Morrison	Executive Director	No	Appointed 24 Sept 2021
Michael Klessens	Non-Executive Director	Yes	Appointed 28 Jan 2022
Robert Rigo	Non-Executive Director	Yes	Appointed 28 Jan 2022
Matthew Yates	Non-Executive Director	No	Appointed 27 Feb 2013

2.4 A majority of the board of a listed entity should be independent directors.

The Board has assessed the independence status of the Directors and has determined that there are three independent Directors, being Messrs Williams, Klessens and Rigo. Accordingly, a majority of the Board, and specifically the Chairman, are independent Directors.

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.

The chair of the board is Mr Williams, who has been assessed as being an independent Director and is not the Company’s ED.

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.

New Directors will be given informal induction information where they are briefed on the Company’s vision and values, strategy, financials, and governance and risk management frameworks. The RN Committee is responsible for considering, and where thought necessary, recommending appropriate continuing professional development programs for Directors.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

3.1 A listed entity should articulate and disclose its values.

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The Company has a Statement of Vision, Mission and Values which is published on its website at www.solsticeminerals.com.au. The Company's ultimate vision is to be a Western Australian mid-tier mining company, generating superior returns for our shareholders, while providing positive benefits for our stakeholders, through exploration, acquisition, development and mining with a focus on gold and base metals.

The values of the Company identified in the Statement are as follows:

- Teamwork – collaborating and working safely and responsibly in partnership with all stakeholders
- Integrity – acting lawfully, ethically and responsibly with fairness and transparency
- Respect – valuing diversity and inclusiveness, treating others with care and dignity
- Innovation – encouraging innovation and entrepreneurship
- Commitment – giving our all to all that we do
- Delivery – doing what we say we will do

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.**

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

The Company has implemented a Code of Conduct which is available on the Company's website at www.solsticeminerals.com.au, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. A summary of the Code is provided below.

All employees and Directors are expected to:

- act in accordance with the Company's values and in the best interests of the Company;
- behave honestly and with personal integrity, treating other employees and all stakeholders with respect;
- use their authority in a fair and equitable manner;
- act ethically and responsibly;
- carry out their work with diligence and to a high standard;
- operate within the law at all times;
- comply with the spirit as well as the letter of the codes of conduct (if any) that apply to their profession;
- abide by all of the policies of the Company and follow procedures, instructions and lawful directions that relate to their employment and duties;
- not take advantage of their position or the opportunities arising therefrom for personal gain; and
- promote the interests of the Company and act in a manner that does not reflect negatively on the Company or harm its reputation.

An employee that breaches the Code of Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary. Any material breaches will be reported by the Company Secretary to the Board. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

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.**

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The Company is committed to the highest standards of conduct and ethical behaviour in all our business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. The Company has a Whistleblower Policy which is published on its website at www.solsticeminerals.com.au.

The Policy encourages disclosures of wrongdoing, in line with the Company's risk management and governance framework and establishes a process whereby individuals who disclose wrongdoing can do so safely, securely and with confidence that they will be protected and supported. All matters reported under the Policy are investigated, although the process of investigation and whether the investigation is carried out internally or externally, may vary depending on the nature of the disclosure. The outcome of an investigation will be documented and as considered appropriate, reported to the Audit and Risk Committee and/or the Board.

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 breaches of that policy.**

The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The objectives of the Company's Anti-Bribery and Corruption Policy, which is published on its website at www.solsticeminerals.com.au, are to:

- set out the responsibilities in observing and upholding the Company's position on bribery and corruption;
- further reinforce the Company's values as set out in its Statement of Vision, Mission and Values; and
- provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

The Policy applies to all employees, including Executive Management, suppliers, consultants, customers, joint venture partners (where they agree to be bound by the Policy) as well as temporary and contract staff (including subcontractors) of the Company and any of its controlled entities. Any such person who becomes aware of any actual or suspected breach of the Policy is required to report this and processes are in place to ensure that such complaints are investigated and appropriate action taken.

Principle 4: Safeguard the integrity of corporate reports

4.1 The board of a listed entity should:

- (a) have an audit committee which:**
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:**
 - (3) the charter of the committee;**
 - (4) the relevant qualifications and experience of the members of the committee; and**
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (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.**

The Audit and Risk Committee (**AR Committee**) was formed in February 2022 and operates under the Audit and Risk Committee Charter which is available on the Company's website at www.solsticeminerals.com.au.

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The AR Committee is chaired by Michael Klessens, an independent Non-Executive Director, who is not the Chair of the Board.

The AR Committee consists of the following Directors:

Name	Role	Independent?
Michael Klessens	Chair	Yes
Robert Rigo	Member	Yes
Craig Williams	Member	Yes

The Company will report the number of times the AR Committee met throughout the period and the individual members' attendances as at the end of each reporting period.

Details of the Directors' qualifications and experience are disclosed on the company's website at www.solsticeminerals.com.au.

4.2 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.

Before the Board approves the Company's financial statements for the relevant periods, it will receive a written declaration from the ED and the Chief Financial Officer (CFO) that in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the declaration provided by them is founded on a sound system of risk management and internal control which is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the ED and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

4.3 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.

Where a periodic corporate report is not required to be audited or reviewed by an external auditor, the Company will internally verify the integrity of the report and ensure the content is presented accurately. This process will involve a review by the relevant internal stakeholder(s) together with internal sign-off(s) that the section of the report to which they have contributed is accurate prior to receiving approval by the Board.

Principle 5: Make timely and balanced disclosure

5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company must comply with its continuous disclosure obligations by disclosing "Material Information" to the market in accordance with the Corporations Act and the ASX Listing Rules. "Material Information" is information

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that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company is committed to complying with its continuous disclosure obligations to facilitate a fair and well-informed market and to ensure all its stakeholders and the investment community have timely and equal access to information provided by the Company.

The Company has adopted a Continuous Disclosure Policy which is published on its website at www.solsticeminerals.com.au. The purpose of the Policy is to:

- raise awareness of the Company's obligations under the continuous disclosure regime;
- establish a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the relevant person in a timely manner and is kept confidential; and
- set out obligations of Directors, officers, and employees of the Company to ensure that the Company complies with its continuous disclosure obligations.

5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

In accordance with the Continuous Disclosure Policy, the Board will receive a copy of all material ASX announcements prior to release and will also be advised promptly after release by the Company Secretary.

5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

In accordance with the Continuous Disclosure Policy:

- price sensitive information will not be discussed with analysts and institutional investors unless that particular information has been formally disclosed to the market via an announcement;
- slides and investor presentations used in briefings will also be released prior to any briefing to the market; and
- if any new price sensitive information is to be used in briefing media, institutional investors and analysts or in answering shareholder queries, written materials containing such information will be released to the market prior to the briefing commencing.

Principle 6: Respect the rights of security holders

6.1 A listed entity should provide information about itself and its governance to investors via its website.

The Company's Shareholder Communication Policy recognises the value of engaging with shareholders and providing them with current and relevant information. Mechanisms employed will include:

- Annual Report;
- Half Year Financial Report;
- Announcements lodged with ASX;
- ASX Quarterly Reports; and
- Company investor presentations.

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. As part of the Company's commitment to improving securityholder value, the Company encourages shareholders to elect to receive all securityholder communications electronically.

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The Company will also post all reports, ASX and media releases and copies of significant business presentations on the Company's website at www.solsticeminerals.com.au. This will be done shortly after being released by the ASX.

The Company's website includes all relevant information regarding the Company, including a "corporate governance" landing page from where all relevant corporate governance policies can be accessed. All website information will be regularly reviewed and updated to ensure that information is current, or appropriately dated and archived.

6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company's Shareholder Communication Policy is available on the Company's website. In accordance with the Policy, Company facilitates communication directly between shareholders and the Company, including by:

- issuing regular written shareholder communications such as quarterly activities reporting and an Annual Report which address the Company's strategy and performance;
- sending and receiving shareholder communications electronically, both from the Company and its share registry;
- maintaining the Board and governance section and investor and media centre on the Company website including posting all announcements immediately after they have been disclosed to the market;
- engaging in a program of scheduled interactions with institutional investors;
- promoting two-way interaction with shareholders, by supporting shareholder participation in the AGM; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Company.

6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company's Shareholder Communications Policy identifies the means by which the Company recognises the rights of shareholders and encourages the effective exercise of those rights at general meetings. Shareholders will be provided with all notices of meetings, or notification on how they can be accessed, prior to meetings. The Company's auditor will also be made available for questions at the annual general meeting. Shareholders will be given the opportunity to ask questions of the Board and management, either before or during shareholder meetings.

6.4 A listed entity should ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

The Company will ensure that all resolutions at any meeting of its shareholders are decided by a poll.

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.

Electronic communications with shareholders will include electronic mail, the Company website, the internet and the relevant online ASX announcement platform. Wherever possible, security holders will be provided with the option to communicate electronically with the Company.

Principle 7: Recognise and manage risk

7.1 The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (1) has at least three members, a majority of whom are independent directors; and

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- (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**
- (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.**

The AR Committee was formed in February 2022 and operates under the Audit and Risk Committee Charter which is available on the Company's website at www.solsticeminerals.com.au.

The AR Committee is chaired by Michael Klessens, an independent Non-Executive Director, who is not the Chair of the Board.

The AR Committee consists of the following Directors:

Name	Role	Independent?
Michael Klessens	Chair	Yes
Robert Rigo	Member	Yes
Craig Williams	Member	Yes

The Company will report the number of times the AR Committee met throughout the period and the individual members' attendances as at the end of each reporting period.

Details of the Directors' qualifications and experience are disclosed on the company's website at www.solsticeminerals.com.au.

7.2 The board or a committee of the board should:

- (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**
- (b) disclose, in relation to each reporting period, whether such a review has taken place.**

The AR Committee is responsible for monitoring management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board. The AR Committee will report on its activities to the Board. A review of the Company's risk management framework will be undertaken during each reporting period and disclosure made.

7.3 A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or**
- (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.**

The Company does not have a separate internal audit function. Under the direction of the AR Committee, the Board as a whole will review the overall risk profile for the Company and receive reports from management on the effectiveness of the Company's management of its material business risks. On this basis, and given the current nature and size of the Company's operations an internal audit function is not yet considered appropriate. In accordance with the Company's Audit and Risk Committee Charter, the Committee will advise the Board if, and when, it considers the appointment of an internal auditor is appropriate and compliance with control procedures is reviewed by the external auditor.

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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.

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Company's approach to creating long-term shareholder value. The Board has adopted an overarching Risk Management Policy which is available on the Company's website at www.solsticeminerals.com.au. This Policy identifies the risk management framework adopted by the Company to ensure that risks are identified, understood, managed and minimised to the extent relevant to the sector in which it operates. This framework is designed to ensure that strategic, operational, legal, reputation, financial and business risks are identified, assessed, monitored and managed to produce better performance outcomes.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process. Risks are managed by setting appropriate levels and areas for risk retention and, where appropriate, through the use of insurance or other forms of risk mitigation or transfer, and by setting policies or procedures to cover management accounting, financial reporting, project appraisal and approval, environment, health and safety, information technology, security, compliance and other key risk areas.

The Company has identified a series of operational risks which the Company believes to be inherent in the industry in which the Company operates having regard to the Company's circumstances (including financial resources, prospects and size). These are identified in the Risk Management Policy and include environmental, social and governance risks. As a mineral exploration company, there are a number of material environmental or social sustainability risks that could adversely affect the Company and the achievement of its strategic objectives, such as the various environmental laws and regulations which the Company is required to comply with. These are detailed in the risk register maintained by the Company and specific risk management policies will be developed in due course as the business identifies a need for them.

Risk Management Roles and Responsibilities

The AR Committee is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Committee will report to the Board bi-annually, or more frequently as required, on the Company's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Company's risk management and internal control system and satisfying itself bi-annually, or more frequently if required, that the Company has developed and implemented a sound system of risk management and internal control.

Principle 8: Remunerate fairly and responsibly

8.1 The board of a listed entity should:

(a) have a remuneration committee which:

(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

(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.

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The Board established a Remuneration and Nomination Committee (**RN Committee**) in February 2022. The RN Committee comprises the following Directors:

Name	Role	Independent?
Robert Rigo	Chair	Yes
Alastair Morrison	Member	No
Michael Klessens	Member	Yes

The Company will report the number of times the RN Committee met throughout the period and the individual members' attendances as at the end of each reporting period.

Details of the Directors' qualifications and experience are disclosed on the Company's website at www.solsticeminerals.com.au.

The Remuneration and Nomination Committee Charter is available on the Company's website at www.solsticeminerals.com.au.

8.2 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.

The role of the RN Committee is to review and make recommendations to the Board in respect of all remuneration matters, including the following:

- the Company's overall remuneration strategy;
- proposed remuneration (including incentive awards, equity awards and service contracts) of the ED and other members of Executive Management;
- cash-based executive incentive plans and equity-based incentive plans;
- remuneration of Non-Executive Directors;
- superannuation arrangements for Executive Management and other employees;
- the recruitment, retention and termination policies and procedures for Executive Management;
- the annual Remuneration Report for inclusion in the Company's Annual Report;
- the annual performance evaluation of the Company's entire executive team; and
- the annual performance evaluation of the Board, its Committees and individual Directors.

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, options or other equity securities may be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and will review their remuneration annually, based on market practice, duties and accountability. Independent external advice may be sought when required. Further details of the remuneration of the Company's Non-Executive Directors will be included in the (audited) Remuneration Report.

Executive remuneration consists of fixed remuneration, being base salaries, as well as employer contributions to superannuation funds and other non-cash benefits, plus performance-based remuneration. Further details of the remuneration of the Company's executives will be included in the (audited) Remuneration Report.

8.3 A listed entity which has an equity-based remuneration scheme should:

- (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**
- (b) disclose that policy or a summary of it.**

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The Company has adopted a long-term incentive plan for employees and contractors (**Incentive Plan**).

The Company proposes to issue options and/or performance rights pursuant to the Incentive Plan in order to attract and retain the services of its key employees and to provide an incentive linked to the performance of the Company. The Incentive Plan is administered by the Directors.

The Company's Securities Trading Policy reflects its prohibition on participants "hedging" the value of their entitlements and/or entering into any other transactions for invested entitlements which limit the economic risk of participating in the scheme. The Policy notes as follows:

- Entitlements under the Company's equity-based incentive plans may be subject to the satisfaction of various time and/or performance hurdles to ensure alignment of employee rewards with the Company's objectives and performance. Transactions which hedge the value of entitlements could distort the proper functioning of these hurdles and reduce the intended alignment with shareholder interests.
- Those participating in an equity-based incentive plan are prohibited from entering into any transaction or arrangement which operates to limit the economic risk of their security holding in the Company without first obtaining prior written clearance from the Company.
- Similarly, there is a prohibition on participants from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

COMPLIANCE WITH AND DEPARTURES FROM ASX CORPORATE GOVERNANCE RECOMMENDATIONS

The Company complies with the Principles and Recommendations other than in relation to the matters specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
1.5(b) and (c)	The Company has not set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally in accordance with Recommendation 1.5(b). Accordingly, the relevant disclosure has not been made in accordance with Recommendation 1.5(c).	The Company has adopted a Diversity & Inclusion Policy, but the Board considers that the Company is not currently of a size to justify setting measurable objectives regarding gender diversity. As the Company's activities increase in size, scope and/or nature, this position will be reviewed by the Board and amended as considered appropriate. The Company will report the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce as at the end of each reporting period.

The Company's Corporate Governance Statement will be available on the Company's website at www.solsticeminerals.com.au.