

Breakthrough Minerals

The logo graphic consists of three light blue L-shaped blocks stacked vertically and slightly offset to the right, creating a stylized 'B' or staircase effect.

ABN 65 124 408 751

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Breakthrough Minerals Limited (**BTM** or **Company**) is responsible for the corporate governance of the Company. The Board and management guide and monitor the business and affairs of BTM on behalf of the shareholders by whom it is elected and to whom it is accountable.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, BTM has continued to adopt a range of modified systems, procedures and practices which it considers meet the principles of good corporate governance.

This Corporate Governance Statement reports on how BTM has complied with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations (**Recommendations**) during the 2026 financial year.

This Corporate Governance Statement is current as at 25 September 2026 and has been approved by the Board of BTM.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

A listed entity should disclose:

- 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 Board has adopted a written Charter to provide a framework for the effective operation of the Board. The Charter outlines the Board composition, its roles and responsibilities, relationship with management and delegation of authority to Board committees and management. The Charter may be viewed in full on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

The Board of Directors of BTM is responsible for the corporate governance of the Consolidated Entity. The Board guides and monitors the business and affairs of BTM on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable.

After appropriate consultation with Management, the Board:

- defines and sets its business objectives and subsequently monitors performance and achievements of those objectives;
- oversees the reporting on matters of compliance with corporate policies and laws, takes responsibility for risk management processes and continually reviews the executive management of the Company;
- monitors and approves financial performance and budgets; and
- reports to shareholders.

Management of the Company is conducted by, or under the supervision of, the Managing Director/Executive Director as directed by the Board and senior executives as delegated by the Managing Director/Executive Director. Management provides the Board with information in a form, timeframe and quality that enables the Board to discharge its duties effectively. Directors are entitled to access management and to request additional information at any time they consider it appropriate. The Board collectively, and individual Directors, may seek independent professional advice at the Company's expense, subject to the reasonable approval of the Chair of the Board and the advice received is made available to the Board as a whole.

Recommendation 1.2

A listed entity should:

- a) undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and**
- b) provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.**

The Company undertakes checks on any person who is being considered as a director. The process may include undertaking checks as to character, experience, education and financial history and background. Such checks have been undertaken in relation to all current Board members, and will be undertaken prior to appointment or election of any new Board members.

The Board recognises the importance for investors in understanding the collective and individual skill sets the Board provides the Company. Board member biographies are available on the corporate website and in the Annual Report. The Company's constitution requires that one-third of the Directors are required to submit themselves for re-election each year, provided always that no Director except a Managing Director/Executive Director shall hold office for a period in excess of three years, or until the third annual general meeting following that Director's appointment, whichever is the longer.

The Company will provide sufficient information to shareholders so as to enable them to make an informed decision on the (re-)election of a director. This information will be provided in the Notice of Meeting (and the Annual Report for current Directors) regarding candidates standing for (re-)election of a Director, including a biography summarising their relevant qualifications, experience and skills, details of material directorships presently held, whether the candidate, if (re-)elected, is considered to be an Independent Director and a statement as to whether the Board supports their (re-)election and the term presently served as a Director.

Additional information will be provided as required. For candidates standing for the first time, this will include details of interests, positions, associations or relationships which might materially influence their capacity to act in the best interests of the Company. For candidates standing for re-election, it will include the term of the office currently served by the Director.

Recommendation 1.3

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

The Board recognises the benefits for Directors and senior executives to have clearly defined roles and responsibilities. Each Director and senior executive has been, and in accordance with the Company's appointment and remuneration policies, appointed by way of written agreement setting out terms of their appointment, including role, responsibilities and remuneration.

Recommendation 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 proper functioning of the board.

The company secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Directors and the company secretary communicate directly with each other on board matters

Recommendation 1.5

A listed entity should:

- a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;**
 - b) disclose that policy or a summary of it; and**
 - c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:**
 - i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
 - ii) 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.**
- company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.**

BTM is committed to ensuring equal opportunity employment based on merit, ability, performance and potential. The Company has established and implemented a diversity policy, designed to contribute to the achievement of its

corporate objectives, including diversity of gender, age, ethnicity, cultural backgrounds and disability. The Company has not as yet established formal measurable objectives for achieving gender diversity with the organisation.

The Company currently does not have any women on the Board or at senior management level.

The Company remains committed to increasing diversity in the workplace and to increase the participation of women in the Company in order to broaden the talent pipeline where future leaders can be drawn.

The Diversity Policy may be viewed on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

Recommendation 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board acknowledges the benefits of evaluating its performance on an individual and collective basis and it is still the intention to implement a formal process for self and peer evaluation. However due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of individuals. The Chairman may conduct informal reviews each financial year if required whereby the performance of the Board as a whole and the individual contributions of each director are discussed. The Board considers that at this stage of the Company's development an informal process is appropriate. The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.

Recommendation 1.7

A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Company develops senior executive performance plans and undertakes an informal review of its senior executive during the year. Formal reviews are conducted by the Managing Director or Executive Director, and the Board in the case of the Managing Director or Executive Director. The reviews aim to assess the performance of the senior executive against their performance plan, which may encompass key performance indicators, including operational performance, the Company's strategic objectives and personal objectives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The board of a listed entity should:

- a) have a nomination committee which:**
 - i) has at least three members, a majority of whom are independent directors; and**
 - ii) is chaired by an independent director, and disclose:**
 - iii) the charter of the committee;**
 - iv) the members of the committee; and**
 - v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at that meeting;**
- or**
- b) if it does not have a nomination committee, disclose the 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.**

Reflecting on the size and composition of the Board and the Company, the Board has elected to retain responsibility for the functions that would have otherwise been delegated to a separate Nomination Committee. The functions include Board renewal, succession planning, induction and evaluation. As such, the Board believes that a separate committee is not required.

The composition of the Board is reviewed by the Chairman on an on-going basis to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its activities.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Directors have been selected for their extensive relevant experience and expertise. They bring to the Board a variety of skills and experience, including industry and business knowledge, and financial management experience. The Board has considered and is satisfied that the composition of the Board reflects an appropriate range of skills and experience for the Company as at the date of this report. The experience and expertise of each of the Directors is set out in the Directors' Report in the Annual Report for the year ended 30 June 2026.

The Board has a Skills Matrix which sets out the mix of skills that the Board considers is required on the BTM board and directors were asked to weight their skills, knowledge, experience and capabilities using a "Low", "Moderate" and "Extensive" rating system. The responses received were used to create the Skills Matrix below which will be reviewed annually.

Board Skills	Graeme Robertson	Nigel Broomham	Peretz Schapiro	William Dix
Experience as a director of a small-cap mining company				
Operational Mining & Metallurgy Experience				
Operational Geology Experience				
Risk Management				
Sustainability (environmental and social governance)				
Commercial/Legal				
Financial Experience				

 Extensive
  Moderate
  Low

Recommendation 2.3 and 2.4

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, association or relationship of the type described below but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

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

As at the date of this Report, the Board consists of 4 directors. Graeme Robertson is the non-executive chair however is not considered independent due to the size of his shareholding in the Company. Nigel Broomham is Managing Director, and by the nature of his role is not considered independent. Peretz Schapiro is a non-executive director and is considered independent. Will Dix is also considered an independent non-executive director.

The length of service of each director is set out in the Directors' Report in the Annual Report for the year ended 30 June 2026.

Given the nature and size of the Company, its business interests and the stage of development, the Board considers that its composition is an appropriate blend of skills and expertise relevant to the Company's business. The Company deals with the lack of independent directors by ensuring that conflicts of interest are adequately disclosed in accordance with the Company's Code of Conduct. Directors abstain from voting on matters where they have, or are perceived to have, a beneficial interest in the outcome of the matters.

Recommendation 2.5

The chair of the board of a listed company should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Board acknowledges the ASX Recommendation that the chair should be an Independent Director. However, as at the date of this report, the Board considers it to be in the best interests of the Company to maintain Graeme Robertson as the chair of the Company, having considered his experience within the industry, intimate knowledge of the operations of the Company and his longstanding commitment to the success of the Company. The Company has appropriate guidelines and checks in place to ensure that the Board makes decisions in the best interests of shareholders.

The roles of chair and CEO are not held by the same individual.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

There is an informal induction process for new Directors, which provides them with a comprehensive understanding of the Company, its objectives and the market in which the Company operates.

Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

Listed entities are to articulate and disclose their values

Consistent with the BTM's Code of Conduct, all employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

In pursuing its goals, the Company seeks to manage its business and make decisions consistent with the following values:

- Safety: Prioritise and protect the health and safety of all employees, contractors and community members;
- Integrity: Act fairly, lawfully, honestly, ethically and with consistency;
- Respect for the environment: Promote ongoing care and protection of the environment within which the Company operates;
- Respect for each other: Value diversity, act without prejudice, encourage cooperation and communicate with courtesy;
- Commitment: Take ownership of work, pursue excellence and honour commitments.

The statement of values can be found on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

Recommendation 3.2

The board of a listed entity should:

- a) have a code of conduct for its directors, senior executive and employees; and
- b) disclose that code or a summary of it.

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct to be followed by all employees and officers. The Code of Conduct sets out BTM's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, integrity and conflicts of interest and is available on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision-making process or discussions where that conflict does arise.

Directors are required to make disclosure of any share trading in the Company's shares. The Company's policy in relation to share trading is that officers are prohibited to trade whilst in possession of unpublished price sensitive information concerning the Company. That is information which a reasonable person would expect to have a material effect on the price or value of the Company's shares. It is recommended that an officer discuss the proposal to acquire or sell shares with the Directors or the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in shares must be notified to the ASX.

Recommendation 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.**

BTM has a Board-approved Whistleblower Protection Policy to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment.

The Whistleblower Protection Policy is available on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

Recommendation 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 that policy.**

BTM has a Board-approved Anti-Bribery and Corruption Policy which confirms the Company's position that giving bribes and other improper payments of benefits to public officials is a serious offence and can damage an entity's reputation and standing in the community. The Board is informed of any incidents reported under the Anti-Bribery and Corruption Policy.

The Anti-Bribery and Corruption Policy is available on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The board of a listed entity should:

- a) have an audit committee which:
 - i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors;
 - ii) is chaired by an independent director, who is not the chair of the board, and disclose:
 - iii) the charter of the committee;
 - iv) the relevant qualifications and experience of the members of the committee; and
 - v) in relation to each reporting period, the number of times the committee met during 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.

Reflecting on the size and composition of the Board and the Company, the Board has elected to retain responsibility for the functions that would have otherwise been delegated to a separate Audit Committee. The Board is responsible for assessing any significant estimates or judgements in BTM's financial reports, reviewing all half yearly and annual reports with management, advisers and the external auditors (as appropriate) and adopting same, overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring that there is a mechanism for assessing the ongoing efficiency of those systems, approving the terms of engagement with the external auditor at the beginning of each financial year, approving policies and procedures for appointing or removing an external auditor and for external audit engagement partner rotation.

Recommendation 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.

Prior to approving the Company's financial statements for the 2026 reporting period, the Board received from the Managing Director and the CFO a written declaration under section 295A of the *Corporations Act 2001 (Cth)* that, in their opinion, the financial records of the Company 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 Company. The Managing Director and the CFO have each given a written assurance to the Board that the opinion forming the basis for the declaration was made by each of them and was formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

The board of 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. .

When the Company releases any periodic corporate report that is not audited or reviewed by an external auditor, it will take other steps to verify the integrity of that report. Such steps include seeking review and obtaining confirmation of the accuracy and completeness of the relevant information from the relevant BTM employees.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

A listed entity should:

- a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and**
- b) disclose that policy or a summary of it.**

The Company is committed to observing its disclosure obligations under the Listing Rules and the *Corporations Act 2001 (Cth)*. Subject to the exceptions contained in the Listing Rules, the Company is required to disclose to the ASX any information concerning the Company that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the shares.

The Company has established a continuous disclosure policy which established processes and procedures designed to ensure compliance with, and Board and employee responsibilities and accountabilities for its continuous disclosure obligations under the Listing Rules and the *Corporations Act 2001 (Cth)*. The aim of the policy is to ensure all investors have equal and timely access to material information concerning the Company.

Under the continuous disclosure policy, the Board has responsibility for:

- a) ensuring that adequate processes and controls are in place for the identification of material information and the release of disclosable information;
- b) the review of material information and determining whether it must be disclosed; and
- c) overseeing compliance with relevant continuous and periodic disclosure requirements.

The Board will use the external auditor and legal counsel in an advisory capacity where appropriate, however maintains overriding authority in relation to continuous disclosure and, in relation to major matters, the Board must consider and approve any announcement to be made to the ASX by the Company. The Company Secretary is responsible for the administration of the Policy, and is responsible for ensuring that announcements are communicated to the relevant stock exchanges in accordance with applicable laws, listing rules and regulations, after approval by the Board. The Company Secretary is responsible for ensuring that officers and employees of the Company are aware of, and understand, the Company's continuous disclosure obligations, their responsibilities in relation to these obligations and to protect the confidentiality of information.

The Continuous Disclosure and Communication Policy may be viewed on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>. Announcements are available on the Company's website under the heading "ASX Announcements".

Recommendation 5.2

A listed entity should ensure that the board receives copies of all material market announcements promptly after they are made.

Directors receive copies of all market announcements promptly after such announcements have been released. This ensures that the Board has visibility over the nature and quality of information disclosed and the frequency of disclosures.

Recommendation 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

When BTM intends to give a new and substantive investor presentation, it releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

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

The Board's aim is to ensure that shareholders are provided with sufficient information to assess the performance of BTM and are informed of all major developments affecting the affairs of the Company in accordance with all applicable laws.

The Company has a website, <https://breakthroughminerals.com.au/our-company/#corporate-governance> where all relevant corporate governance policies can be accessed. The information available on the website includes the Company's Continuous Disclosure and Communications Policy, which supports the Company's commitment to effective communication with shareholders and encourages participation by shareholders at general meetings, among other things.

The Company's website also contains other information about the Company, which may include:

- a) the Board and senior management team;
- b) key Policies and the Board Charter;
- c) ASX announcements;
- d) Annual reports;
- e) notices of meetings; and
- f) media releases.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company is committed to facilitating effective two-way communication with investors, with the aim of allowing shareholders and other financial market participants to gain a greater understanding of the Company's operations, governance, financial performance and prospects. The Company welcomes shareholder participation at the AGM and shareholder and investor enquiries. Any matters of concern raised in this way are communicated to the Board.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders

BTM encourages attendance at, and participation in general meetings, whether virtual or otherwise as follows:

- a notice of meeting is made available to shareholders prior to meetings, including details of the time and place of the meeting, the business to be considered and proxy voting procedures.
- as some shareholders are not able to attend meetings of shareholders, shareholders are able to forward their questions to the Company prior to the meetings.
- the Chair and Managing Director/Executive Director take any comments and questions received from the shareholders after their address.
- the current audit partner attends the AGM and is available to answer any questions from shareholders about the audit.
- Annual Reports are provided electronically on the Company's website, unless a shareholder elects to receive a printed copy. Announcements made by the Company to the ASX are made available on the website under the headings "ASX Announcements" and "Presentations & Reports".

Recommendation 6.4

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

All resolutions at the 2024 Annual General Meeting will be decided by poll.

Recommendation 6.5

A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically.

BTM recognises that it is efficient to communicate electronically and accordingly, shareholders are given the option, and are encouraged, to receive communications from the Company and the share registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1

The board of a listed entity should:

- a) have a committee or committees to oversee risk, each of which:**
 - i) has at least three members, a majority of whom are independent directors; and**
 - ii) is chaired by an independent director,**
- and disclose:**
 - iii) the charter of the committee;**
 - iv) the members of the committee; and**
 - v) as at the end of each reporting period, the number of times the committee has met throughout the period and the individual attendances 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 Company views effective risk management as key to achieving and maintaining its operational and strategic objectives. The identification and management of BTM's risks are an important priority of the Board.

The Company's risk management is assessed and managed by the Board and is governed by the "Risk Management and Oversight Policy" which is available on the Company's website. The Board has elected to retain responsibility for the functions that would have otherwise been delegated to a separate Risk Committee.

The Board considers the oversight and approval of risk management strategies and procedures in place. The Company has in place a system whereby management is responsible for active identification of risk and implementation of mitigation measures and may be required to report to its adherence to policies and guidelines approved by the Board for the management of risks.

Management intends to regularly monitor and evaluate the effectiveness of its risk management processes and plans, and will report on risk management to the Board, identifying the Company's material risks and the extent to which the Company's ongoing risk management program effectively identifies, manages and addresses risk management issues.

Recommendation 7.2

The board or 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**
- b) disclose, in relation to each reporting period, whether such a review has taken place**

BTM regularly reviews its risk management procedures to ensure that it complies with its legal obligations. The purpose of such reviews is to assist the Managing Director/Executive Director and CFO in providing declarations required under section 295A of the *Corporations Act 2001 (Cth)*. The reviews should encompass financial, legal, regulatory, workplace health and safety, personnel risks, economic, social, environmental and social sustainability risks.

Each mine operation is subject to an Environmental Impact Assessment Plan and the operations are regularly audited by the relevant regulatory authorities. BTM's approach to corporate social responsibility ("CSR") is about partnership with local communities to develop initiatives to provide social and economic development as well as environmental protection and conservation in the areas BTM operate. By developing partnerships with the communities, BTM is

helping to foster sustainable development, share the socio-economic benefits from its operations and alleviate poverty.

BTM's focus is helping communities by developing infrastructure, education and health opportunities by employment of local personnel. It relies on the local community for operational support rather than external contractors in order to boost the local economy where it operates. Whenever possible, BTM intends to continue direct contributions to the community through building infrastructure and donations of equipment and supplies, and transfers capabilities and skills to enhance work abilities.

The Board, with management input, has conducted the review for the reporting period in accordance with the risk management framework of the Company.

Recommendation 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 risk management and internal control processes.**

The Company does not have an internal audit function. The Board believes that specific responsibilities for risk management are clearly communicated, understood and managed by it and senior management. The reporting obligations of management ensure that the Board is regularly informed of material risk management issues and actions.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. The Company does not currently have material exposure to environmental and social sustainability risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The board of a listed entity should:

- a) have a remuneration committee which:**
 - i) has at least three members, a majority of whom are independent directors; and**
 - ii) is chaired by an independent director,****and disclose:**
 - iii) the charter of the committee;**
 - iv) the members of the committee; and**
 - v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- 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.**

At the date of this Report, the Company does not have a separate remuneration committee and the role of the remuneration committee is undertaken by the full Board. The Board considers that, given its current size, efficiencies or other benefits would not be gained by establishing a separate remuneration committee.

The Board collectively performs the function of the Remuneration Committee in discharging its responsibilities to shareholders and other stakeholders with respect to remuneration by reviewing and making appropriate recommendations on:

- (a) remuneration packages of executive directors, non-executive directors and senior executives; and
- (b) employee incentive and equity-based plans (if any) including the appropriateness of performance hurdles and total payments proposed.

Recommendation 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:

Details of the Company's remuneration policies and practices are included in the "Remuneration Report" within the Annual Report. Details of compensation for Directors and senior management are also disclosed within the "Remuneration Report".

The structure of remuneration for Non-Executive Directors is clearly distinguished from that of Executive Directors and senior management, including in relation to termination entitlements. The Company does not currently have any schemes for retirement benefits for Non-Executive Directors, other than the compulsory superannuation guarantee levy.

Recommendation 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.**

Under the Company's Securities Trading Policy, employees are prohibited from entering into transactions or arrangements which could have the effect of limiting their risk relating to an element of their remuneration that has not vested.

The Securities Trading Policy may be viewed on the Company's website at <https://breakthroughminerals.com.au/our-company/#corporate-governance>