

## UPDATE OF CORPORATE GOVERNANCE STATEMENT

Canterbury Resources Limited has updated its Corporate Governance Statement as attached hereto.

On behalf of the Board



Veronique Morgan-Smith  
Company Secretary

The Board, by resolution dated 30 September 2019, resolved to adopt the updated Corporate Governance Statement as follows:

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<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee Canterbury's business activities and management for the benefit of its Shareholders. The Board is accountable to the Shareholders for the performance of Canterbury and has overall responsibility for its operations.</p> <p>The responsibility for the day-to-day operation and administration of Canterbury is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors.</p> <p>Canterbury has disclosed further detail on the respective roles and responsibilities of its Board and management, and the functions reserved by the Board and those delegated to senior management, in Canterbury's Board Charter.</p> <p>This information is available in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	Yes	<p>When a new member is to be appointed to the Board, consideration is given to seeking a candidate that has relevant experience, time availability to devote to the position of Director and appropriate skills and expertise that will increase or enhance board diversity and effectiveness, to provide the expertise to achieve the strategic and economic goals of the Canterbury Group.</p> <p>Canterbury undertakes a number of checks before appointing a person or putting forward to security holders a candidate for election as a Director and provides material information to shareholders about a candidate for election or re-election.</p> <p>Canterbury's Nomination Committee provides recommendations to assist the Board of Directors with ensuring that appropriate checks and references are taken for new Directors and key executives, and that effective induction and education procedures exist for new Board appointees and key executives. These include checks as to the person's character, experience and education.</p> <p>Information provided to security holders in the Notice of Meeting includes: biographical details and the skills the candidates bring to the Board; details of any other material directorships currently held by the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues</p>

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		before the Board and to act in the best interests of Canterbury and its security holders generally.
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>It is the Company's practice and policy to obtain a written agreement with each Director and senior executive setting out their terms of appointment. These agreements take the form of letters of appointment in the case of Non-Executive Directors and service contracts in the case of Executive Directors or other senior executives.</p> <p>For each Non-Executive Director, the agreement generally sets out the following: the terms of appointment; the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the positions; remuneration, including superannuation entitlements; the requirement to disclose Directors' interests and any matters that may affect Directors' independence; the requirement to comply with key corporate policies, including Canterbury's Corporate Code of Conduct and its Securities Trading Policy; Canterbury's policy on when Directors may seek independent professional advice at the expense of Canterbury (which is generally whenever Directors, especially Non-Executive Directors, judge such advice necessary for them to discharge their responsibilities as Directors); indemnity and insurance arrangements; ongoing rights of access to corporate information; and ongoing confidentiality obligations.</p> <p>In the case of Executive Directors or other senior executives, the agreements generally set out the information above (to the extent applicable), as well as: descriptions of their positions, duties and responsibilities; the persons or bodies to whom they report; the circumstances in which their services may be terminated; and any entitlements on termination.</p> <p>Canterbury is required under the ASX Listing Rules to disclose the material terms of any employment, service or consultancy agreement it or a subsidiary enters into with its Managing Director, any of its Directors, and any other person or entity who is a related party of its Managing Director or any of its Directors. It is also required to disclose any material variation to such an agreement.</p>
<p><b>Recommendation 1.4</b></p> <p>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.</p>	Yes	<p>The Company Secretary of Canterbury is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board. The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees.</p> <p>The role of the Company Secretary includes: advising the Board and its Committees on governance matters; monitoring that Board and Committee policies and procedures are followed; co-ordinating the timely completion and despatch of Board and Committee papers; ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of Directors. Each Director is able to</p>

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		communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(1) 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</p> <p>(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.</p>	Partially	<p>Canterbury's workforce, including employees, contractors, management and the Board, is made up of individuals with diverse skills, values, backgrounds and experiences that bring to Canterbury the skills and expertise that are required for Canterbury to enhance its performance. Canterbury values diversity and recognises the benefit it can bring in achieving Canterbury's goals. To this end, Canterbury has a Diversity and Inclusion Policy that reflects its commitments and objectives. A copy of Canterbury's Diversity and Inclusion Policy in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p> <p>Due to the current early stage, size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender. Canterbury is committed to ensuring that the appropriate mix of skills, experience, expertise and diversity are considered when employing staff at all levels of the organisation, and when making new senior executive and Board appointments, and is satisfied that the composition of employees, senior executives and members is appropriate considering its size and environment. Canterbury has the objective to improve the current ratio of women to men with its proposed staff recruitment as soon as the scale of its operations allows so.</p> <p>Canterbury has disclosed the proportion of men and women on the Board, in senior executive positions and across the whole organisation in its Annual Report for the year ended 30 June 2019 and will provide further details as to its compliance with these recommendations in its future Annual Reports and in its annual Corporate Governance Statements.</p>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its</p>	Partially	<p>The Nomination Committee Charter describes the process that Canterbury uses for evaluating the performance of its Board, its committees and individual Directors, and this Charter is available for review in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p>

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<p>committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		<p>Canterbury has an informal annual review process for evaluating the performance of the board, its committees and individual directors.</p> <p>Canterbury will adopt a process whereby its Directors complete Board Evaluation Questionnaires that evaluate the performance of the Board, its committees and individual Directors. In accordance with that process, the performance of the Board, its Committees and individual Directors was reviewed after the end of the financial year.</p> <p>Canterbury will provide an update on its compliance with this recommendation its future Annual Reports and Corporate Governance Statements released to ASX and on its website.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Partially	<p>Canterbury has an informal annual review process for evaluating the performance of its senior executives.</p> <p>Canterbury will adopt a process for evaluating its senior executives using a Senior Executive Evaluation Form. The Board will assess the results of this process on an annual basis as part of the process for periodically evaluating the performance of its senior executives. In accordance with that process, the performance of senior executives was reviewed after the end of the financial year..</p> <p>The responsibilities of the Board include ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices.</p> <p>Canterbury will provide an update on its compliance with this recommendation its future Annual Reports and Corporate Governance Statements released to ASX and on its website.</p>
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout</p>	Yes	<p>The Board of Canterbury has a Nomination Committee, which consists of five members, a majority of whom are independent Directors, and is chaired by an independent Director.</p> <p>The members of the Committee are:</p> <ul style="list-style-type: none"> <li>- Mr John Anderson (Committee Chairperson), who is an independent and non-executive Director;</li> <li>- Mr. Grant Craighead, who is the Managing Director;</li> <li>- Mr Gary Fallon, who is an independent and non-executive Director;</li> <li>- Mr Ross Moller, who is an independent and non-executive Director; and</li> <li>- Mr Michael Erceg, who is an Executive Director and the Manager Exploration.</li> </ul> <p>The Nomination Committee Charter governs the composition, membership, roles and responsibilities of the Directors, and provides recommendations to assist the Board of Directors. The Charter is available in the document "Canterbury Resources Policies" on Canterbury's website at</p>

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<p>the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p><a href="http://www.canterburyresources.com.au">www.canterburyresources.com.au</a> under Corporate Governance.</p> <p>The purpose of the Nomination Committee is to provide recommendations to assist the Board with respect to: ensuring the filling of any vacancies on the Board with the best possible candidate through the use of executive search firms and/or by direct approach; considering the appointment of additional Directors to provide the expertise to achieve the strategic and economic goals of Canterbury, ensuring that remuneration policies and practices are consistent with the strategic goals of Canterbury and are relevant to the achievement of those goals and finally to ensure that an effective induction process is implemented for new Board appointees and key executives.</p>
<p><b>Recommendation 2.2</b></p> <p>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.</p>	Yes	<p>Canterbury has and discloses a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has in its membership. The Skills Matrix is set out in Appendix A below. The Corporate Governance Committee has reviewed the collective skills of the Board and will consider the mix in Canterbury's professional development initiatives for Directors and in its Board succession planning.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations publication) 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</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Board considers that Messrs John Anderson, Gary Fallon and Ross Moller are independent Directors. Their shareholding in the Company is less than 5% of the issued capital at 30/06/2019. They are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the Director's judgement, and that each are able to fulfil the role of an independent director for the purposes of the ASX Recommendations.</p> <p>Mr. Grant Craighead is considered by the Board not to be independent, having regard to the indicators of independence set out in Box 2.3 of the ASX Recommendations.</p> <p>Mr Michael Erceg is considered by the Board not to be independent, having regard to the indicators of independence set out in Box 2.3 of the ASX Recommendations.</p> <p>The length of service of each Director as at the date of this Statement is as follows:</p> <ul style="list-style-type: none"> <li>- Mr. John Anderson, appointed on 19 July 2011;</li> <li>- Mr Grant Craighead, appointed on 19 July 2011;</li> <li>- Mr Gary Fallon, appointed on 19 July 2011;</li> <li>- Mr Ross Moller, appointed on 19 July 2011; and</li> <li>- Mr Michael Erceg, appointed on 6 March 2019.</li> </ul>
<p><b>Recommendation 2.4</b></p>	Yes	<p>The Board has a majority of independent Directors with three of the five being independent.</p>

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A majority of the board of a listed entity should be independent directors.		
<b>Recommendation 2.5</b> 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.	Yes	The Chairperson of the Board of Canterbury is independent and non-executive.
<b>Recommendation 2.6</b> 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.	Yes	<p>It is the role of Canterbury's Nomination Committee to ensure that an effective induction process is implemented for new Board appointees and key executives.</p> <p>It is the Company's practice that every new Director receives a Letter of Appointment accompanied by: a Director's Deed of Indemnity; information on Canterbury's policies and charters; and an induction meeting. The Board considers training to develop skills and experience of individual Board members in conjunction with its review of the Skills Matrix.</p> <p>In order to ensure the Board is able to discharge its responsibilities properly, the Nomination Committee has a process whereby Directors are able to obtain independent professional advice, to develop and maintain their skills and knowledge to perform their role as Directors when necessary at the expense of Canterbury.</p>
<b>Recommendation 3.1</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	Yes	<p>Canterbury has a Company Code of Conduct that has been fully endorsed by the Board and applies to all Directors, senior executives and employees. The Code of Conduct is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Group's integrity, and to take into account legal obligations and reasonable expectations of Canterbury's stakeholders.</p> <p>A copy of the Code of Conduct is available in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p>
<b>Recommendation 4.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which:               <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> </ul>	Yes	<p>The Board of Canterbury has an Audit Committee, which was established by the Board to review and monitor financial, audit and reporting.</p> <p>The Committee consists of two Non-Executive Directors, both of which are independent Directors.</p> <p>The Committee consists of the following Directors:</p> <ul style="list-style-type: none"> <li>• Mr Ross Moller (Committee Chairperson), non-executive, independent director, experienced company secretary and chartered accountant; and</li> </ul>

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<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<ul style="list-style-type: none"> <li>Mr Gary Fallon, non-executive, independent director, very experienced in the type of business carried on by Canterbury;</li> </ul> <p>The Chairperson of the Committee, who the Board agreed was the most qualified for this role, is an independent Director, and is not the Chairperson of the Board.</p> <p>A copy of the Charter of the Audit Committee is available in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance. The relevant qualifications of the members of the Committee can be found in the About Us and in the Directors' Report in Canterbury's Annual Report.</p> <p>Canterbury will report periodically the number of Committee meetings and Director attendances at these meetings in its future Annual Reports.</p>
<p><b>Recommendation 4.2</b></p> <p>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.</p>	Yes	<p>Before it approves Canterbury's financial statements for a financial period, the Board of Canterbury will receive assurance from the Managing Director, via a declaration, that the financial records of Canterbury have been properly maintained, and that, to the best of his knowledge, considering that the accounting process it outsourced, the financial statements comply with the appropriate accounting standards, and give a true and fair view of the financial position and performance of Canterbury, and that their opinion is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material aspects in relation to financial reporting risks.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>Canterbury has in the past and when listed, will continue to invite its external Auditor to attend its Annual General Meeting (AGM), and to be available to answer shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's Report.</p>
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p>	Yes	<p>Canterbury has a written policy, being its Market Disclosure Policy, which complies with its obligations under the ASX Listing Rules and is in the document "Canterbury Resources</p>



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(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.		Policies" on its website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.  The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.
<b>Recommendation 6.1</b>  A listed entity should provide information about itself and its governance to investors via its website.	Yes	Canterbury provides information about itself and Canterbury's corporate governance on its website including: <ul style="list-style-type: none"> <li>- Canterbury's Corporate Governance Statement and Policies;</li> <li>- Reports and Presentations, a link to Canterbury's ASX Announcements and contact details of Canterbury's Share Registry;</li> <li>- Any prospectus;</li> <li>- Biographical information on Canterbury's Board and Management; and</li> <li>- the Company's contact details.</li> </ul>
<b>Recommendation 6.2</b>  A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Canterbury has designed and implemented an investor relations program to facilitate effective two-way communication with investors.  Canterbury has adopted relevant policies including a Shareholder Communications Strategy, a policy on Third Party Relationships, which are available within the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.  Canterbury actively engages with shareholders at its meetings of security holders, meeting with them upon request and responding to any enquiries they may make from time-to-time.
<b>Recommendation 6.3</b>  A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Canterbury has disclosed the processes it has in place to facilitate and encourage participation at meetings of security holders in its Market Disclosure Policy, which is available in the document "Canterbury Resources Policies" on its website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.  Written policies that Canterbury has formed on security holder participation at meetings cover disclosure of price-sensitive information and ensure that the requirements of continuous disclosure are met. These written policies are designed to enable appropriate communication with, and participation by, shareholders. Canterbury views its meetings of shareholders as an important forum for two-way communication between Canterbury and its security holders. They provide an opportunity for Canterbury to impart to security holders a greater understanding of its business, governance, financial performance and prospects, as well

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		as to discuss areas of concern or interest to the Board and management. These meetings also provide an opportunity for security holders to express their views to Canterbury's Board and management about any areas of concern or interest for them.
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>Canterbury gives security holders the option to receive communications from, and send communications to, Canterbury and its security registry electronically.</p> <p>The Contact Us section of Canterbury's website contains Canterbury's contact details and security holders can also choose to sign up to receive by email Canterbury's periodical market updates on its operations by completing the mailing section.</p>
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Yes	<p>The Board of Canterbury has a Risk Management Committee to review and monitor risk management processes and reporting, and oversee risk.</p> <p>The Committee consists of five Directors, a majority of whom are independent Directors including the chairperson.</p> <p>The Charter of the Committee is available in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p> <p>At 30/06/2019, the members of the Committee are:</p> <ul style="list-style-type: none"> <li>- Mr Gary Fallon (Committee Chairperson), non-executive and independent Director;</li> <li>- Mr Grant Craighead, executive Director, not independent;</li> <li>- Mr John Anderson, non-executive and independent Director;</li> <li>- Mr Ross Moller, non-executive and independent Director; and</li> <li>- Mr Michael Erceg, who is an Executive Director and the Manager Exploration.</li> </ul> <p>Canterbury will report periodically on the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least</p>	Yes	<p>Management is responsible for designing, implementing and reporting on the adequacy of Canterbury's risk management and internal control system. Management reports to the Risk Management Committee on Canterbury's key risks and the extent to which it believes these risks are being monitored at each Committee meeting.</p>

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<p>annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>		<p>The Risk Management Committee reviews and monitors Canterbury's risk management framework, and internal compliance and control systems, at least annually to satisfy itself that it continues to be sound.</p> <p>The Risk Management Committee will meet when circumstances dictate and the Board will include on its meeting's agenda a risk component to ensure periodical reporting by the Committees to the Board. Canterbury will disclose whether the risk review has taken place within the stated period.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Yes	<p>Canterbury does not have an internal audit function, due to its size and the scale of its operations.</p> <p>Management is responsible for maintaining appropriate accounting and financial reporting policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.</p> <p>The process Canterbury employs for evaluating and continually improving the effectiveness of its risk management and internal control processes is the monthly review of its actual versus budget variances in revenue and expenses.</p>
<p><b>Recommendation 7.4</b></p> <p>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.</p>	Yes	<p>Canterbury operates with a long-term perspective in order to achieve a level of economic growth utilising the experience of a Board of Directors who have achieved success in the mining industry and in business.</p> <p>The Risk Management Committee identifies and manages potential or apparent business, economic, environmental and social sustainability risks (where appropriate). Review of Canterbury's risk management framework is conducted at least twice a year.</p> <p>To the extent that Canterbury is exposed to economic, environmental and social sustainability risks, Canterbury to continue disclosing such information in future annual reports.</p>
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p>	Yes	<p>The Board of Canterbury has appointed a Remuneration Committee, which consists of three members, all of whom are independent Directors, and consequently is chaired by an independent Director.</p> <p>The members of the Committee are:</p> <ul style="list-style-type: none"> <li>- Mr Ross Moller (Committee Chairperson), non-executive, independent Director;</li> <li>- Mr John Anderson, non-executive, independent Director; and</li> </ul>

Corporate Governance Principles and Recommendations (3 <sup>rd</sup> Edition)	Compliance as 30/09/2019	Explanation
<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>- Mr Gary Fallon, non-executive, independent Director.</p> <p>The Remuneration Committee Charter is to ensure that remuneration policies and practices are consistent with the strategic goals of Canterbury and are relevant to the achievement of those goals. The Charter is available in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance.</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>Canterbury will separately disclose its policies and practices regarding the remuneration of Canterbury's Non-Executive Directors and the remuneration of its Executive Director in the Remuneration Report in Canterbury's Annual Report.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Canterbury has an equity-based remuneration scheme, being its Employee Stock Option Plan (ESOP), which is released on the ASX announcement platform.</p> <p>Canterbury has a policy that participants in the ESOP are not permitted to enter into transactions that limit the economic risk of participating in the scheme. You will find the Securities Trading Policy in the document "Canterbury Resources Policies" on Canterbury's website at <a href="http://www.canterburyresources.com.au/about-us">www.canterburyresources.com.au/about-us</a> under Corporate Governance and released on the ASX announcement platform.</p>

## Skills matrix

Skills, Diversity and Experience of the Board	Total
<b>Strategic Management</b>	
Leadership	5
CEO / CFO / COO experience	3
Directorships held outside CBY	4
Senior Management positions held outside CBY	5
Strategy	5
Mergers and Acquisitions / Equity / Capital Markets	4
International Business	5
Business Development	2
Experience in Implementing Capital Projects	3
Marketing	2
Government Relations	3
<b>Resources Management</b>	
General Management of Operations	5
Project Delivery	5
Sector / Industry Experience - Geology / Mining	5
Technology in Exploration / Mining	3
Geographic Experience – Asia Pacific	5
Geographic Experience – Global	5
Remuneration	4
Human Resources Management / People	4
Information Management / ICT	3
<b>Risk Management</b>	
Risk Management	5
Ethics	5
Experience Managing Environment Issues in an Organisation	3

Occupational Health and Safety - Wellbeing	3
Information Security	2
Training	3
<b>Audit and Review</b>	
Finance	4
Accounting	3
Banking	3
Quality	0
Internal/external audit	2
<b>Compliance and Reporting</b>	
Corporate Governance and Regulatory Compliance	5
Membership of Governance or Regulatory Bodies	2
Corporate social responsibility	2
Worked in diverse environment – gender - cultural	5
<b>Education and other</b>	
Tertiary Qualifications	5
Post-Graduate Business Studies /Chartered Accountant	2
AICD directors course	3
Tenure – with CBY for up to three years	0
Tenure – with CBY for over three years	5
Residency in Australia	4
Residency outside Australia	1