



2021 CORPORATE GOVERNANCE STATEMENT

Manuka Resources Ltd ACN 611 963 225 (**Manuka** or **the Company**)

Directors

Executive Chair:	Dennis Karp
Non-executive Director:	Dr Nicholas Lindsay
Non-executive Director:	Anthony McPaul

Company Secretary

Company Secretary:	Toni Gilholme
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Introduction

Since listing on the ASX, the Company has sought to implement systems of control and accountability as the basis for the administration of corporate governance in line with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"). The key policies and procedures are summarised in this report.

The Board has considered each Recommendation, taking into account factors such as the size of the Company, the structure of the Board, resources available, activities of the Company and the environment in which it operates. Where the Company has not adhered to the Recommendations, the Board has offered full disclosure in this Corporate Governance Statement of the nature of, and reason for, the adoption of its own practice.

The Board of the Company is committed to acting honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and recognises its duties and responsibilities to its employees, customers and the community.

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the board. Further information about the Company's corporate governance practices are set out on the Company's website at <https://www.manukaresources.com.au/site/about/corporate-governance>

In accordance with the recommendations of the ASX, information published on the Company's website includes:

Charters

- Board
- Audit and Risk Committee
- Remuneration Committee
- Nomination Committee

Constitution

- Constitution of Manuka Resources Limited

Compliance, Codes, Controls and Policies

- Code of Conduct for Directors, Senior Executives and Employees
- Corporate Governance Statement
- Continuous Disclosure Policy
- Risk Management
- Share Trading Policy
- Diversity Policy
- Shareholder Communications and Investor Relations Policy
- Recruitment Policy
- Whistleblower Policy
- Hedging Policy

Date of last review and Board approval: 16th day of June 2021.

Explanation for departures from best practice recommendations

During the 2020/2021 financial year the Company has complied with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations 3rd Edition") except to the extent set out below and in the Company's Appendix 4G for that year as released to ASX.

Principles of Good Corporate Governance

1. Principle 1 - Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

1.1. Board of Directors - Roles and Responsibilities

In general the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal and regulatory obligations.

The Board has the final responsibility for the successful operations of the Company. Where the Board considers that particular expertise or information is required, which is not available from within its members, appropriate external advice may be taken and reviewed prior to a final decision being made. In carrying out the responsibilities and powers set out in this Charter, the board of directors of the Company (the Board):

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers and the community.

1.2. Specific Responsibilities of the Board

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment, and where necessary, the replacement, of the Executive Director/Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules if applicable);
- (i) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (j) approving the Company's remuneration framework;
- (k) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (l) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and
- (m) meeting with the external auditor, at their request, without management being present.

1.3. The Role of the Chair

- (a) Where practical, the Chair should be a non-executive Director. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) Where practical, the Executive Director/Managing Director should not be the Chair of the Company during his or her term as Executive Director/Managing Director or in the future.
- (c) The Chair must be able to commit the time to discharge the role effectively.
- (d) The Chair is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (f) In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.

1.4. Responsibilities of Senior Management

- (a) The role of management is to support the Executive Director/Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board and in accordance with the Corporate Code of Conduct.
- (b) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Executive Director/Managing Director.
- (c) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as Directors.

The Company has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

1.5. Appointment of Directors

Each Director and senior executive is a party to a written agreement with the Company which outlines the terms of that Director's or senior executive's appointment.

The material terms of engagement with the Company's 'key management personnel' are outlined within the Remuneration Report in the Company's latest Annual Report.

The Company's Constitution requires an election of Directors at each Annual General Meeting (AGM). No Director may hold office for a period in excess of 3 years without submitting himself or herself for re-election, or beyond the third AGM following the Directors election, whichever is longer.

If no Director is due for re-election at the AGM then the Director who has held office the longest since last being elected or appointed must retire at the AGM. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire.

Director	Appointed	NED	Independent	Retiring 2021 AGM	Re-appointment 2021 AGM
Dennis Karp	20/04/2016	NO	NO	NO	NO
Nicholas Lindsay	20/06/2019	YES	YES	YES	YES
Anthony McPaul	25/11/2016	YES	YES	NO	NO

1.6. Board Nominations

The Board (on recommendations received from the Nomination Committee where appropriate) will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company (as detailed in the Board Skills Matrix referred to in Section 2.3 below) and procedures outlined in the Company's Constitution and the Corporations Act 2001 (Cth).

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

The Company has followed Recommendation 1.2 by ensuring that the appointment of directors who will come before shareholders for re-election at the Company's Annual General Meeting are suitable for the Company and equipped with the knowledge and information to discharge their roles adequately. In addition, the Company ensures that all relevant information that it possess is disclosed in the notice of meeting to enable shareholders to make a decision on whether or not to elect or re-elect a director. The Company has followed Recommendation 1.3 by having a written agreement with each director and senior executive setting out the terms of their appointment.

1.7. The Company Secretary

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- (b) The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (c) The Company Secretary is to facilitate the induction and professional development of Directors.
- (d) The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- (e) The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.

- (f) All Directors have access to the advice and services provided by the Company Secretary.
- (g) The Board has the responsibility for the appointment and removal of the Company Secretary.

The Company has followed Recommendation 1.4 by ensuring that the Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

1.8. Board Performance Review

The Nomination Committee, (or, where applicable, the Board) conducts an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Charter as are deemed necessary or appropriate

The review also includes:-

- (a) examination of the Board's interaction with management;
- (b) nature of information provided to the Board by management; and
- (c) management's performance in assisting the Board to meet its objectives.

In addition, the Chairman monitors the performance of the Board and individual directors on an on-going basis and speaks to directors individually regarding their role as a director. During the 2021 financial year, the Board undertook a formal Board performance evaluation. In doing so, the Company has followed Recommendation 1.6.

1.9. Senior Executives' Performance Review

Having regard to the size of the Company and the small number of employees, other than the directors, the Company does not have a formal process of evaluating the performance of its senior executives.

1.10. Diversity

The Company recognises the positive advantages of a diverse workplace and is committed to:

- (a) creating a working environment conducive to the appointment of well qualified employees, Senior Management and Board candidates; and
- (b) identifying ways to promote a corporate culture which embraces diversity.

The small size of the Company's workforce is such that it cannot realistically be expected to reflect the degree of diversity of the general population. The Company has a Diversity Policy in accordance with Recommendation 1.5, however given the above circumstances, and the current nature and scale of the Company's activities, the Board has determined that it is not practicable to set measurable objectives for achieving gender diversity. The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers 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 is not a Relevant Employer (as defined by the Workplace Gender Equality Act). The Company has one female on the Executive team (being the Company Secretary). Excluding board members, 13% of the Company's Senior Management team and 31% of the Company's total staff are female.

2. Principle 2 - Structure the board to be effective and add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

2.1. Board - Composition

The Board has been formed so that it has an effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size and the scale and nature of the Company’s activities. The names of the Directors currently in office and their qualifications and experience are stated in the Company’s latest Annual Report. A Director is generally initially appointed by the Board and retires (and may stand for re-election) at the third AGM after their appointment.

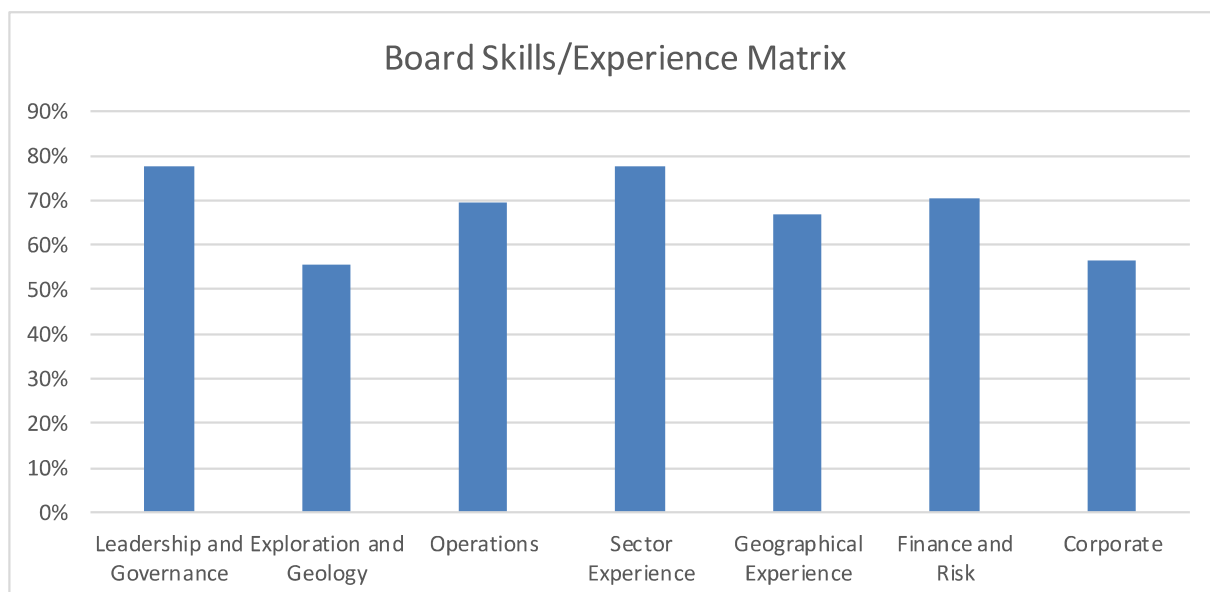
2.2. Nomination Committee

The primary purpose of a Nomination Committee is to support and advise the Board in maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and in ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance. A Nomination Committee has not been established, however in accordance with Recommendation 2.1, the full Board has the responsibility for and performs the functions of a Nomination Committee.

2.3. Board - Skills and experience mix

The composition of the Board is reviewed regularly against the Company’s board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The diverse qualifications, skills and experiences of the Directors, as disclosed in the Company’s latest Annual Report and in the chart below, represents a mix that the Board believes is appropriate to have reflected among its members.



The Board reviews its Skills Matrix at least annually and supplements its collective skills through the periodic engagement of independent experts and consultants.

The Company follows Recommendation 2.2 by disclosing the directors' qualifications and experience in the Annual Report and the Company follows Recommendation 2.3 by disclosing those directors considered by the Board to be independent directors and the length of service of each director (refer 1.5 above).

Although the Company does not follow Recommendation 2.4 at this point, it is the Board's opinion that all directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

Mr Dennis Karp, a non-independent director, holds the office of Executive Chairman and therefore, to this extent, the Company does not follow Recommendation 2.5. However, having regard to the size of the Company and the nature of its activities, the appointment of more directors is not warranted and the Board considers that Dennis Karp best serves the office of Executive Chairman due to his extensive experience in the industry.

2.4. Directors' induction and education

In accordance with Recommendation 2.6 the Company encourages directors to continue their professional development to assist them in performing their role effectively and each director or officer has been provided with a copy of the following documents:

- Corporate Governance Plan including Code of Conduct, Share Trading Policy, Diversity Policy and Shareholders Communication Policy; and
- Continuous Disclosure Policy

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

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

3.1. Corporate Governance Plan

Manuka Resources Ltd has adopted a Corporate Governance Plan which articulates the Company's values and provide a framework for decisions and actions in relation to ethical conduct in employment. The Company has followed Recommendation 3.1 in adopting its Corporate Governance Plan which covers areas such as:

- Board Charter
- Corporate Code of Conduct
- Continuous Disclosure
- Risk Management
- Whistleblower Policy
- Share Trading Policy
- Diversity Policy
- Shareholder Communications Policy

3.2. Corporate Code of Conduct

Manuka Resources Ltd has issued a Corporate Code of Conduct which 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. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees including:

- Expected standards of professional and personal behaviour
- Conflicts of interest
- Security of information
- Discrimination and Harassment
- Health and Safety
- Corrupt Conduct

The Company's Code of Conduct policy is available on the Company's website as part of its Corporate Governance Plan at www.manukaresources.com.au/site/about/corporate-governance. In accordance with Recommendation 3.2, the Board is informed of any material breaches of the Company's approved Policies and standards.

3.3. Whistleblower Policy

Manuka Resources Ltd has adopted a Whistleblower Policy which encourages the reporting of any suspected unethical, illegal, fraudulent or undesirable behaviour involving the Company's businesses and aims to protect any officer or employee who raises such a concern. Adoption of a Whistleblower Policy is in accordance with Recommendation 3.3.

3.4. Anti-Bribery and Corruption Policy

Manuka Resources Ltd has adopted an Anti-Bribery and Corruption Policy which provides clarity to all directors, officers and labour hire contractors to ensure the Company is complying with the laws and regulations of the countries within which it operates and ensuring that all business is conducted ethically and in accordance with its values. Adoption of an Anti-Bribery and Corruption Policy is in accordance with Recommendation 3.4.

4. Principle 4 - Safeguard the integrity of corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

4.1. Audit Committee

Having regard to the size of the Company and the nature of its activities and the composition and structure of the Board, an Audit Committee has not been established, however, in compliance with Recommendation 4.1, the full Board has the responsibility for and performs the following functions of an Audit Committee:

- evaluate the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- ensure compliance with all applicable laws, regulations and company policy;
- assess the effectiveness and adequacy of internal control processes;
- review the performance of the Company's external auditors and review their appointment and removal and the independence of the external auditor and the rotation of the lead engagement partner;
- review business, environmental and social risks; and
- review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board

4.2. CEO and CFO declarations

The Company has followed Recommendation 4.2. The Board has determined that the Executive Chairman and the Financial Controller are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The declaration confirms that, the financial records of the Company for a financial year have been properly maintained in accordance with the Act and that the financial statements and the notes for the financial year comply with the accounting standards and give a true and fair view of the financial position and performance of the Company.

4.3. Internal Controls

The Company has followed Recommendation 4.3 and has established internal controls to validate the completeness and accuracy of periodic corporate reports released to the market that are not audited or reviewed

by the external auditor. These controls include approval by senior management and review by the Board on a quarterly basis.

5. Principle 5 - Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

5.1. Continuous Disclosure Policy

The Company has followed Recommendation 5.1 and has adopted a formal Continuous Disclosure Policy and Policy on Compliance Procedures which are available on the Company's website at <https://www.manukaresources.com.au/site/about/corporate-governance>.

All information disclosed to the ASX is immediately distributed to the board via email and is posted on the Company's website at <https://www.manukaresources.com.au/site/investor-centre/asx-announcements> in accordance with Recommendation 5.2.

The Company uses various methods to ensure it communicates effectively with shareholders including ensuring that a copy of the presentation materials on the ASX Market Announcements Platform is released ahead of the presentation in accordance with Recommendation 5.3.

6. Principle 6 - Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

6.1. Company Website

The Company has followed Recommendation 6.1 by keeping investors informed through the Company's website at www.manukaresources.com.au and on the ASX website, www.asx.com.au, under ASX code 'MKR' regarding information about the Company, the Board, policies, reports, meetings, investor presentations and other ASX announcements.

6.2. Shareholder Communication Strategy

In compliance with Recommendations 6.2 and 6.3 the Company has adopted a Shareholder Communication Strategy (as part of its Corporate Governance Plan) to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders and available on the Company's website;
- Notice of the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

Investors are encouraged to contact the Company via the email addresses provided on the Company's website. Any enquires or emails received are answered in a timely manner. Shareholders are also able to call the Company and will receive appropriate advice and information.

Shareholders are encouraged to participate at all GMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting. At all GMs and AGMs, the Company shall display, at the time of voting for each resolution, the proxy votes received by the Company, so that Shareholders are fully informed as to the level of support for each resolution.

All resolutions at the 2020 Annual General Meeting held in November 2020 were decided by a poll in accordance with Recommendation 6.4.

6.3. Electronic Communication

In accordance with Recommendation 6.5, shareholders have the option to receive communications electronically via the Company's share registry, Automic Company Pty Ltd. Additionally, through the Company's website, shareholders or other interested parties are able to sign up for a mailing list to which all ASX announcements are sent immediately following the release of an announcement.

7. Principle 7 - Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1. Risk Committee

Having regard to the size of the Company and the nature of its activities and the composition and structure of the Board, a Risk Committee has not been established, however, in compliance with Recommendation 7.1, the full Board has the responsibility for and performs the functions of a Risk Committee. The full Board recognises its responsibility to:

- Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- Assist in identifying and managing potential or apparent business, environmental and social risks (if appropriate).
- Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.
- Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

7.2. Risk management

The Company has followed Recommendation 7.2, whereby the full Board regularly throughout the year reviews and monitors systems of external and internal controls and areas of significant operational, financial and property risk, and ensures arrangements are in place to contain such risks to acceptable levels. During the reporting period the Board has undertaken a review of the entity's risk management framework.

7.3. Internal audit function

Having regard to the size of the Company and the nature of its activities, an internal audit function has not been established, however, in compliance with Recommendation 7.3, it is disclosed that the full Board carries out the risk management and internal audit functions.

7.4. Risks and risk management

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. In compliance with Recommendation 7.4, the material

manageable risks which the Company is exposed to include operational risks, capital risks and human resources risks as follows:

- obtaining government approvals;
- geological and environmental issues;
- land access and community disputes;
- the ability to raise additional capital; and
- recruiting and retaining qualified personnel.

The full Board is responsible to oversee the risk management function and the Chief Operating Officer is in charge of implementing an appropriate level of control to mitigate these risks within the Company. The full Board reviews all major Corporate strategies and decisions and takes appropriate actions on a continuous basis.

8. Principle 8 - Remunerate fairly and responsibly

8.1. Remuneration Committee

Having regard to the size of the Company and the nature of its activities and the composition and structure of the Board, a Remuneration Committee has not been established, however, in compliance with Recommendation 8.1, the full Board has the responsibility for and performs the following Remuneration Committee functions:

- reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- recommending to the Board the remuneration of executive Directors;
- fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- reviewing and approving the remuneration of Director reports to the Executive Director/Managing Director, and as appropriate other senior executives; and
- reviewing and approving any equity based plans and other incentive schemes.

8.2. Remuneration policy

The details of the remuneration of non-executive directors, executive directors and other senior executives are provided in the Directors' Report under the heading "Remuneration Report" in the Annual Report. The Company periodically engages an independent consultant to benchmark Board and senior executive remuneration. The purpose of the benchmarking is to ensure that remuneration offered by the Company is competitive in the market and appropriate for the Company's circumstances.

The Company does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Company does not have an equity based remuneration scheme.