

FIRETAIL RESOURCES LIMITED

(ACN 651 057 822)

("Company")

Corporate Governance Statement

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (4th Edition)* published by ASX Corporate Governance Council ("**Recommendations**").

The Board has adopted the following suite of corporate governance policies which are available on the Company's website at www.firetailresources.com.au:

- Board Charter
- Board Performance Evaluation Policy
- Code of Conduct
- Audit and Risk Management Committee Charter
- Remuneration and Nomination Committee Charter
- Security Trading Policy
- Continuous Disclosure Policy
- Shareholder Communications Policy
- Diversity Policy
- Whistleblower Policy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this corporate governance statement the Company complies with the Recommendations other than to the extent set out below.

NO.	RECOMMENDATION	EXPLANATION FOR NON-COMPLIANCE
2.	Structure the Board to add value	
2.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and 	The Board does not consider that the Company is of a relevant size or complexity to warrant the formation of a nomination committee to deal with the selection and appointment of new Directors and as such, a nomination committee has not been formed.

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	<p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</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 dedicated Remuneration and Nomination Committee Charter has been adopted by the Board.</p> <p>Nominations of new Directors are and will be considered by the full Board. If any vacancies arise on the Board, all Directors will be involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as and when required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p> <p>The Board will, when it considers the Company to be of an appropriate size, appoint a nomination committee that complies with Recommendation 2.1.</p>
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 Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.
2.5	The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Proposed Chairman Mr Grosvenor will be an Executive Chairman and not considered independent.</p> <p>As a small entity, the Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than</p>

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		<p>strictly adhere with these recommendations. The Company may consider ways of restructuring its Board in the future to ensure the Chairman is independent.</p>
2.6	<p>A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	<p>Upon appointment, new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>
<p>4. Safeguard integrity in financial reporting</p>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> (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 throughout the period and the individual attendances of the members at those meetings; or <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 financial reporting, including the processes for the appointment and removal of the external Auditor and the rotation of the Audit</p>	<p>Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the Audit committee are undertaken by the Board.</p> <p>The full Board in its capacity as the Audit committee is responsible for reviewing the integrity of the Company’s financial reporting and overseeing the independence of the external Auditors. The duties of the full Board in its capacity as the Audit committee are set out in the Company’s Audit Committee Charter which is available at www.firetailresources.com.au.</p> <p>When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company’s Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board is responsible for the initial appointment of the external Auditor and the appointment of a new external Auditor when any vacancy arises. Candidates for the</p>

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	<p>engagement partner.</p>	<p>position of external Auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external Auditor based on criteria relevant to the Company's business and circumstances. The performance of the external Auditor is reviewed on an annual basis by the Board.</p> <p>The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed at www.firetailresources.com.au.</p>
<p>7. Recognise and manage risk</p>		
<p>7.1</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>(i) has at least 3 members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) 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 process it employs for overseeing the entity's risk management framework.</p>	<p>Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.</p> <p>When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed at www.firetailresources.com.au.</p>
<p>7.3</p>	<p>A listed entity should disclose:</p>	<p>The Company does not currently have an internal Audit function however, following</p>

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	<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>	<p>admission to the Official List of the ASX the Company will consider establishing an internal Audit function in the future should the need arise.</p> <p>The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Risk Management Policy. A copy of this policy is available at www.firetailresources.com.au.</p>

8. Remunerate fairly and responsibly

<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least 3 members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>(iii) and disclose:</p> <p>(iv) the charter of the committee;</p> <p>(v) the members of the committee; and</p> <p>(vi) 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>Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.</p> <p>The duties of the full board in its capacity as a remuneration committee are set out in the Company’s Remuneration and Nomination Committee Charter which is available at www.firetailresources.com.au.</p> <p>When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company’s Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed at www.firetailresources.com.au.</p>
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