**TG Metals Limited**
**Corporate Governance Statement 2022**

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 4.10.3, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

This corporate governance statement is current as of 30 September 2022 and has been approved by the Board.

The following governance-related documents can be found on the Company's website at www.tgmetals.com.au/about-us/corporate-governance/:

a) Board Charter;
b) Corporate Code of Conduct;
c) Audit and Risk Committee Charter;
d) Remuneration Committee Charter;
e) Nomination Committee Charter;
f) Environmental, Social and Governance Committee Charter;
g) Performance Evaluation;
h) Continuous Disclosure;
i) Risk Management;
j) Trading Policy;
k) Diversity Policy;
l) Shareholder Communications Strategy;
m) Anti-Bribery & Corruption Policy; and
n) Environmental, Social and Governance Policy;
o) Workplace Health & Safety Policy;
p) Whistleblower Policy

**Principle 1: Lay solid foundations for management and oversight**

***Recommendation 1.1***

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

In general, the Board assumes (amongst others) the following responsibilities:

a) appointment of the Chief Executive Officer 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 Listing Rules if applicable);
i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
j) 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 Listing Rules if applicable); and
k) meeting with the external auditor, at their request, without management being present.

***Recommendation 1.2***

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director (including checks regarding the person's experience, education, disqualification from holding certain offices, criminal record and bankruptcy history) and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

***Recommendation 1.3***

The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with any of its Directors, and any other person or entity who is a related party of any of its Directors, will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

***Recommendation 1.4***

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary supports the effectiveness of the Board by:

(a) ensuring a good flow of information between the members of the Board and its committees;
(b) monitoring policies and procedures of the Board;
(c) advising the Board on corporate governance matters; and
(d) timely preparation and despatch of Board agendas, briefing papers and minutes.

***Recommendation 1.5***

The Board is committed to promoting equality and diversity in the workplace and aims to be an organisation where diversity is valued, respected and celebrated. All decisions relating to employees will be based strictly on merit, without regard to gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

Pursuant to Recommendation 1.5, the Company has established a Diversity Policy. However, due to the small size of the organisation and its current stage of operations, the introduction of specific measurable objectives at this stage has not been implemented. The Company has one woman on the Board of Directors out of a total of three.

Whilst the Board strongly endorses the concept of gender diversity, until the Company's human resource base has grown to a point where fully implementing specific measurable objectives will become more meaningful, the Company will, in accordance with its Diversity Policy, continue to recruit the best person for each role, regardless of gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

***Recommendation 1.6***

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual Directors in accordance with the process disclosed in the Company's Board Performance Evaluation Policy.

This policy assists the Board to determine whether:

(a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions; and
(b) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed periodically by the Board.

During the reporting period, an evaluation of the Board, its committees and individual Directors has taken place in accordance with the Company's policy.

***Recommendation 1.7***

The Board will be responsible for evaluating the performance of the Company's senior executives in accordance with the Company's process for performance evaluations, which is currently being developed by the Board.

During the reporting period, an evaluation of the performance of the senior executives was undertaken.

**Principle 2: Structure the board to add value**

***Recommendation 2.1***

Neither the Company nor the Board are currently of a sufficient size and structure to establish a nomination committee. At present, the full Board carries out the duties that would ordinarily be assigned to a nomination committee under the Company's nomination committee charter.

The Board is responsible for the appointment of a Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.

The Board regularly reviews the composition of the Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

As the Company grows in size, it is planned that the Company will establish a separate nomination committee.

***Recommendation 2.2***

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

As the Company grows in size, it is planned that the nomination committee will maintain and disclose a board skills matrix.

***Recommendation 2.3***

The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Currently the Board is structured as follows:

(a) Mr Richard Bevan (Non-Executive Chairman) appointed 23 December 2021;
(b) Mr Brett Smith (Non-Executive Director) appointed 23 December 2021; and
(c) Ms Di (Gloria) Zhang (Non-Executive Director) appointed 23 December 2021.

The Board regularly assesses the independence of each Director and has determined that each non-executive Director is independent.

The Company considers a director to be independent if the director is independent of management and is free of any interest, position 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 before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

When assessing the independence of a director, the Board considers the matters potentially affecting the independence status of a director as described in Box 2.3 of the ASX Principles. Materiality is assessed on a case-by-case basis by reference to each director's individual circumstances rather than by applying general materiality thresholds.

The Board considers that Ms Zhang is not an independent Director as she is the spouse of Mr Stewart McDonald who is a substantial holder of the Company.

***Recommendation 2.4***

The Board has a majority of independent directors.

***Recommendation 2.5***

Mr Bevan is an independent Chairman of the Board.

***Recommendation 2.6***

It is a policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

**Principle 3: Act ethically and responsibly**

***Recommendation 3.1***

The Company has adopted a Statement of Values which sets out the following core values and fundamental principles of the Company:

(a) to act fairly and ethically;
(b) to comply with the law at a times and act accordingly;
(c) to respect others, both inside and outside of our workplace;
(d) to promote diversity; and
(e) to be honest and transparent in our dealings.

***Recommendation 3.2***

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. The Code is disclosed on the Company's website.

The Code applies to all Directors, officers, employees and contractors of the Company.

The Code will be reviewed periodically by the Board.

***Recommendation 3.3***

The Company is committed to maintaining a positive culture of openness, responsible corporate governance and ethical behaviour where Company Staff are able to report incidents of corrupt, illegal or unethical work related conduct without fear of reprisal. Accordingly, the Company has adopted a Whistleblower Policy. The purpose of this policy is to promote the responsibility of Company staff to report suspected incidents of corrupt, illegal or unethical work-related behaviour in breach of the Company's Code of Conduct.

***Recommendation 3.4***

The Company is committed to conducting its operations and business activities with integrity and preventing bribery or corruption by any of its Directors, officers, employees or any other party acting on its behalf. The Company is committed to complying with all laws that apply to it, including anti-bribery and corruption laws. Accordingly, the Company has adopted an Anti-Bribery and Corruption Policy. The purpose of this policy is to supplement the Company's code of conduct by setting out the conduct expected by the Company to minimise the risk of bribery or corruption occurring in connection with its operations and activities and to provide guidance on how to deal with instances of bribery or corruption.

**Principle 4: Safeguard integrity in corporate reporting**

***Recommendation 4.1***

The Board is not currently of a sufficient size and structure to establish an audit committee. At present, the full Board carries out the duties that would ordinarily be assigned to an audit committee under the written terms of reference for that committee.

As the Company grows in size, it is planned that the Company will establish a separate audit committee with its own audit committee charter.

Under the Board's charter, the specific responsibilities of the Board include to recommend to shareholders the appointment of the external auditor and to meet with the external auditor when required and without management being present.

The Board meets with the Company's auditors at regular intervals to continually assess and monitor the performance of the external auditors.

***Recommendation 4.2***

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

***Recommendation 4.3***

The Company has an effective system of internal control, review and approval which it applies to public documents that are not reviewed or audited by its external auditor.

**Principle 5: Make timely and balanced disclosure**

***Recommendation 5.1***

The Company is committed to:

(a) ensuring that shareholders and the market are provided with full and timely information about its activities;

(b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
(c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Continuous Disclosure Policy, which is disclosed on the Company's website. The Continuous Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as the law and ASX Listing Rules change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

***Recommendation 5.2***

The Company ensures that Directors are provided with a copy of all material market releases promptly after lodgement.

***Recommendation 5.3***

The Company ensures that for any new and substantive investor or analyst presentation, it shall release 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***

The Company provides information about itself and its governance to investors via its website at www.tgmetals.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

(a) relevant announcements made to the market via ASX;
(b) media releases;
(c) investment updates;
(d) Company presentations and media briefings;
(e) copies of press releases and announcements; and
(f) copies of annual and half yearly reports including financial statements.

***Recommendation 6.2***

The Company has a Shareholder Communications Policy which aims to keep Shareholders informed of all major developments of the Company. The policy is disclosed on the Company's website. Information is communicated to Shareholders via:

(a) reports to Shareholders;
(b) ASX announcements;
(c) annual general meetings; and

(d) the Company website.

While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To enable Shareholders to obtain information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

This Shareholder Communications policy will be reviewed periodically by the Board.

***Recommendation 6.3***

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. The Company's Shareholder Communications policy is available on the Company's website.

***Recommendation 6.4***

In order to ascertain the true will of the Company's security holders attending and voting at any of its General Meetings including the Annual General Meeting, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the Company will conduct the voting procedure by a poll.

***Recommendation 6.5***

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

**Principle 7: Recognise and manage risk**

***Recommendation 7.1***

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.

The Board currently determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance, and internal control.

The Board as a whole is ultimately responsible for undertaking and assessing risk management and internal control effectiveness. Due to the size and development phase of the Company, the Board believes that no efficiencies or other benefits would be gained by establishing a separate risk committee.

As the Company grows in size, it is planned that the Company will establish a separate audit and risk committee with its own committee charter.

***Recommendation 7.2***

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

During the reporting period, the Board reviewed the risk management framework.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

(a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
(b) quarterly rolling forecasts prepared.

***Recommendation 7.3***

The Company does not have an internal audit function.

The full Board oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.

The Board reviews the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

When the Company and the Board is of a sufficient size and nature, it will establish and delegate to an Audit and Risk Committee responsible for implementing the Company's risk management system.

***Recommendation 7.4***

The Company does not consider that it has any material exposure to economic, environmental or social sustainability risks.

**Principle 8: Remunerate fairly and responsibly**

***Recommendation 8.1***

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.

The full Board is responsible for the determination of the remuneration of directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Where considered necessary, the Board may engage a remuneration consultant to assist with setting and reviewing the Company's executive and non-executive remuneration policies to ensure the Company attracts and retains executives and Directors who will create value for shareholders.

As the Company grows in size, it is planned that the Company will establish a separate remuneration committee with its own remuneration committee charter.

***Recommendation 8.2***

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company.

***Recommendation 8.3***

The Company's Security Trading Policy includes the Company's policy prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

The Company's Security Trading Policy is available on the Company's website.