

Corporate Governance

The Board of Directors of Peninsula Mines Limited (the “Company”) is responsible for monitoring the business undertakings of the Company and protecting the rights and interests of shareholders. High standards of corporate governance are considered essential to give effect to these responsibilities. The Company’s corporate governance policies are set and reviewed from time to time by the Board having regard to any changing circumstances of the Company and the best interests of shareholders. Accordingly, the Company has, where appropriate, sought to adopt the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (the ‘Principles’). The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company’s business.

Any documents referenced in this statement as being available on the Company’s website can be found on this site.

Item	ASX Best Practice Recommendation	Compliance	Comment
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Comply	(a) The Company has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and those that are delegated to management. The Board Charter is located in the Corporate Governance section on the Company’s website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (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.	Comply	(a) The Company has a Policy and Procedure for the Selection and Appointment of New Directors and this is located in the Corporate Governance section on the Company’s website. (b) The Company provides sufficient information in its Notice of Meeting when a director is to be elected or re-elected at a General meeting of the Company.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Comply	Remuneration and other terms of engagement for the directors are formalised in consulting agreements individually or with their respective companies and the terms of these agreements are summarised in the annual

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1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Comply	<p>Remuneration Report forming part of the Directors' Report which accompanies the annual financial report.</p> <p>Any new directors who may be appointed to the Board will be provided with a letter of appointment which includes their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.</p> <p>The Board is responsible for the appointment of the Company Secretary. The Company Secretary is responsible for providing directors with ongoing guidance and advice on commercial and corporate governance matters. The Company Secretary also provides guidance for the preparation of the semi-annual and annual accounts. The Board is responsible for evaluating his performance on an annual basis and determining his remuneration.</p>
1.5	<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>	Partial Compliance	<p>(a) In accordance with the diversity requirements set out in the ASX Principles and Recommendations, the Company continues to consider its approach to diversity.</p> <p>The Company has only a small number of employees and consultants, and only four Directors. The Board takes the view that it is impractical and unnecessary to establish a diversity policy due to the Company's size, stage of development and nature of operations. However, the Board is committed to revisiting this position if the Company progresses to the development stage of its exploration projects.</p> <p>The Company believes that non-compliance by the Company with this Principle will not have a detrimental effect on the Company.</p> <p>(b) Refer to above.</p>

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	<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>		<p>The Company has not set measurable objectives for achieving gender diversity during the reporting period of 2017 – 2018.</p> <p>There are no women on the Board.</p> <p>Not applicable to the Company.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its 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>	Comply	<p>In 2017, the Company adopted and implemented a Board Performance Evaluation Procedure based on a review of relevant literature published by the Australian Institute of Company Directors; the Governance Institute of Australia; and the Director Development Centre (UK). A performance evaluation of the executive Board members was undertaken during the reporting period. However the non-executive board members evaluation was not undertaken during the reporting period but it is intended that it will be undertaken during the next reporting period, in accordance with the Board Performance Evaluation Procedure.</p>
1.7	<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</p>	Comply	<p>(a) The Managing Director is responsible for setting the performance objectives of the Company's senior executives and for evaluating their performance against them.</p> <p>(b) An annual review of performance of the Company's Managing Director was undertaken by the Chairman in the</p>

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	undertaken in the reporting period in accordance with that process.		reporting year. This comprised a senior staff questionnaire and interview with the Director.
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 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>(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>	Partial Compliance	<p>The Board does not have a Nomination Committee.</p> <p>The Board as a whole performs the role that a committee would ordinarily perform. The Board considers that it is in the best interests of the Company to determine the criteria for the selection of new directors based on any perceived “gaps” in the skill set of the Board as and when a casual vacancy arises.</p> <p>Retirement and rotation of directors is governed by the Corporations Act and the constitution of the Company. Each year, one-third of the directors, other than the Managing Director, must retire and offer themselves for re-election. Any casual vacancy filled between general meetings will be subject to a shareholder vote at the next Annual General Meeting of the Company.</p> <p>Re-appointment of directors is not automatic. Shareholders are provided with relevant information on each of the candidates for election or, where applicable, re-election.</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.	Comply	The Company provides full details in its Annual Report of each Director’s past (3 years) and present directorships, and the skills associated with those directorships, and how they provide benefits to the Company.
2.3	A listed entity should disclose:	Comply	(a) One of the Company’s four Directors, Mr Martin Pyle, is considered independent in terms of the Relationships affecting Independent Status (the “Categories”) in Recommendation 2.1 of the Principles. Mr Jackson is Chair of the Company’s

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	<p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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>		<p>major shareholder, Aurora Minerals Limited.</p> <p>(b) Notwithstanding this apparent non-compliance the Board is of the opinion that the objectives and current strategy of the Company are well served by retaining the current composition of the Board, irrespective of the Directors' degree of independence. A determination with respect to independence is made by the Board on an annual basis.</p> <p>In addition, the Directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger a review of a director's independent status.</p> <p>(c) The length of service of each director is disclosed in the Company's Annual Report to shareholders.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Do Not Comply	Refer to above.
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.	Do Not Comply	<p>The Chair of the Company is not deemed to be independent for the following reason:</p> <ul style="list-style-type: none"> Mr Jackson is Chair of the Company's major shareholder, Aurora Minerals Limited. <p>The Chair is not the CEO of the Company.</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Comply	New directors are inducted into the Company at the time of their appointment.
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p>	Comply	<p>The Company has a code of conduct and is committed to achieving the following objectives:</p> <p>(a) ensuring that all of its business affairs are conducted legally, ethically and with integrity;</p>

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	(b) disclose that code or a summary of it.		<p>(b) ensuring that the Company itself and its joint venturers who act as operators of projects in which the Company has an interest adopt high standards of occupational health and safety, environmental management and ethics;</p> <p>(c) managing its legal obligations and the reasonable expectations of stakeholders effectively through the development and implementation of a risk management framework which incorporates these key areas; and</p> <p>(d) fostering and maintaining a culture of ownership, care, professional excellence, confidentiality, integrity and freedom from any conflict of interest in each of the Company's employees and consultants.</p> <p>A copy of the Code is available on the Company's website.</p>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board, and disclose: 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 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 	Partial Compliance	<p>(a) The Board as a whole performs the role that a committee would ordinarily perform. The Company does not have an audit committee, as its size and its financial affairs are not of such complexity to justify a separate audit committee.</p> <p>The Board monitors the form and content of the Company's financial statements; the Board also maintains an overview of the Company's internal financial control and audit system and risk management systems.</p>

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	(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.		(b) The Board, on an annual basis in line with its overall responsibility to shareholders, reviews the performance and independence of the external auditor and the continuation of that appointment. The Board also approves the remuneration and terms of engagement of the external auditor. Any appointment of a new external auditor will be submitted for ratification by shareholders at the next annual general meeting of the Company.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Comply	The Board, before it approves the Company's financial statements for a financial period, receives from the Managing Director/CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	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.	Comply	The Company ensures that the external auditor attends its AGM, and advises shareholders that the auditor is available to answer questions relevant to the audit.

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <ul style="list-style-type: none"> (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. 	Comply	The Company has a written policy which complies with its continuous disclosure obligations under the Listing Rules. A copy of the policy is available on the Company's website.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Comply	<p>The Board aims to ensure that the shareholders are informed of all major developments affecting the Company. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports.</p> <p>The Company maintains a website at www.peninsulamines.com.au on which the Company makes the following information available on a regular and up to date basis:</p> <ul style="list-style-type: none"> ● company announcements; ● information briefings to media & analysts; ● notices of meetings and explanatory materials; ● financial information; and ● annual and half year reports. <p>In the event that an announcement is not available on the Company's website it will be available on the ASX website.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communications with investors.	Comply	The Company has retained, on a part time basis, the services of an Investor Relations Manager. Shareholders can contact the Investor Relations Manager
6.3 6.4	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> <p>A listed entity should give security holders the option of to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Comply	<p>The Company encourages full participation of shareholders at the annual general meeting, and other meetings, of the Company.</p> <p>The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 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>(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>	Partial Compliance	<p>(a) The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.</p> <p>Day-to-day management of risk is the responsibility of the relevant members of the Company's Management.</p> <p>During the reporting year, the Managing Director presented a Strategic Plan and Risk Assessment which was discussed and adopted by the board.</p> <p>(b) The Board does not have a Risk Committee.</p> <p>The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.</p> <p>Day-to-day management of risk is the responsibility of the relevant members of the Company's Management.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p>	Comply	<p>(a) The role of the Board is to:</p> <ul style="list-style-type: none"> • review the Company's internal financial control system and risk management systems; • monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; • monitor and review compliance with the Company's Code of Conduct and the Whistleblower Policy. • Refer to 7.1 (a) above.

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	(b) disclose, in relation to each reporting period, whether such a review has taken place.		(b) The Annual Report contains details of meetings held during the year.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Partial Compliance	(a) The role of the committee is to monitor and review the effectiveness of the Company's internal audit function.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		The Company is subject to, and responsible for, existing environmental liabilities associated with its Projects. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy. The Company does not believe it has any significant exposure to economic and social sustainability risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of	Partial Compliance	The Company does not have a Remuneration Committee The Board as a whole performs the role that a committee would ordinarily perform. The Board reviews, on an annual basis, executive remuneration and incentive policies. In addition, the Board reviews and approves the audited remuneration report set out in the Directors' Report contained in the Company's Annual Report. The Board consults external consultants and specialists where needed. The number of times the committee meets during a reporting period is detailed in the Company's Annual Report to shareholders.
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	<p>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>		
8.2	<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>	Comply	<p>Each director has entered into separate employment agreements with the Company. The remuneration of directors is reviewed annually.</p>
8.3	<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>	Not applicable	<p>The Company does not have an equity-based remuneration scheme.</p>