

2020 Corporate Governance Statement

The Board of Montem resources Limited (the **Company**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on the Company's website on <http://montem-resources.com/corporate/corporate-governance/>

This Statement is current as at 31 July 2020 and has been approved by the Board of Directors of Montem Resources Limited.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Role of the Board and Management

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Company's affairs. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Board has a formal Board Charter which is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>. The Charter clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The day-to-day operations and administration of the Company has been delegated to the Managing Director (**MD**), who then has the authority to sub-delegate to the Executive Team. However, the Board of Directors maintains ultimate responsibility for the day-to-day management of the Company and its business, including strategy, control and risk profile of the Company.

Recommendation 1.2: Appointment of Directors

The Company has guidelines for the appointment and selection of the Board which require the Board to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

We provide our shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director and they are provided to security holders through a number of channels, including via the Notice of Meeting and other information contained in the 2020 Annual Report.

Recommendation 1.3: Appointment Terms

Each director and senior executive are party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment, including the remuneration entitlement and performance requirements. Directors also receive a deed of indemnity, insurance, and access.

As a non-listed public company, it has not been required to disclose information regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The Company intends to disclose the matters contemplated by ASX Recommendation 8.2 in future annual reports.

Recommendation 1.4: Company Secretary

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in the Company's Annual Report.

Recommendation 1.5: Diversity Policy

The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Diversity Policy is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The Company is still in the process of developing measurable objectives for achieving gender diversity. The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO/MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.

Recommendation 1.6: Board and Individual Directors Performance Assessment

The Nomination and Remuneration Committee is responsible for evaluating the performance of the Board and individual Directors on an annual basis. It may do so with the aid of an independent adviser.

The Board intends to formally evaluate its performance, the performance of its Committees and individual Directors, as well as the governance processes supporting the Board through an annual assessment process.

The Company intends to disclose the matters contemplated by ASX Recommendation 1.6 (b) in future annual corporate governance statements

Recommendation 1.7: Senior Executive Performance Assessment

The Company's Board is responsible for evaluating the performance and remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.

Senior executives are appointed by the Managing Director and their Key Performance Indicators (KPI's) contain

specific financial and non-financial objectives which will be reviewed by the Managing Director annually.

The Company intends to disclose the matters contemplated by ASX Recommendation 1.7 (b) in future annual corporate governance statements.

PRINCIPLE 2 – BOARD STRUCTURE

Recommendation 2.1: Nomination Committee

The Company's Remuneration and Nomination Committee Charter provides for the creation of a Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.

The Nomination Committee Charter is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The Members of the Committee are:

- William Souter (Chair), Independent Director;
- Robert Tindall, Director;
- Susie Henderson, Independent Director.

The number of committee meetings to be held and the individual attendances of the members at those meetings will be disclosed in the Director's Report contained within the Company's Annual Report for future reporting periods.

In accordance with the Company's Remuneration and Nomination Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review director competence standards;
- review Board succession plans;
- evaluate the Board's performance;
- make recommendations for the appointment and removal of directors to the Board; and
- make recommendations to the Board on recruitment, retention and termination policies for senior management.

Recommendation 2.2: Board Skills Matrix

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives.

The Board intends to formally undertake a Board skills matrix setting out the mix of skills and diversity that the Board currently has in its membership through an annual assessment process.

The Company intends to disclose the matters contemplated by ASX Recommendation 2.2 in future annual corporate governance statements

Recommendation 2.3: Independent Directors

The Company has disclosed the names of the directors considered to be independent directors in the company's Corporate Governance Statement.

The existence of any of the relationships listed in Box 2.3 of the Guide (regarding director independence) and an explanation of why the Board considers a Director to be independent, notwithstanding the existence of those relationships is disclosed in the company's Corporate Governance Statement, available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The period of office held by each Director in office is disclosed in the Company's Annual Report.

The Board's assessment of each current Director is set out below.

Name	Position	Appointment date	Status
Mark Lochtenberg	Chairman & Non-Executive Director	1/03/2019	Independent
Peter Doyle	Managing Director and CEO	5/12/2017	Not Independent
Rob Tindall	Non-Executive Director	5/12/2017	Not Independent
William Souter	Non- Executive Director	6/04/2018	Independent
Susie Henderson	Non- Executive Director	6/04/2018	Independent

Recommendation 2.4: Majority Independence

The Board comprises Five directors.

The Board considers that Mark Lochtenberg, Susie Henderson and Will Souter are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his/her judgment and are able to fulfil the role of independent directors for the purposes of ASX.

Peter Doyle is considered by the Board not to be independent as an executive Director of the Company. Robert Tindall is not independent for ASX purposes due to his previous executive roles with the Company and his substantial shareholding in the Company. Mr Tindall has been previously employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the Board.

Recommendation 2.5: Board Chair

The current Chair, Mr Mark Lochtenberg, is an independent Non-Executive Director and is not the Managing Director of the Company. The role of Managing Director is currently being fulfilled by Mr Peter Doyle.

In accordance with current practice, the Board Charter requires the role of Chair and Managing Director to be separate.

The current Board composition reflects an appropriate balance of skills, expertise, and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

The Board will consider the Recommendations in assessing any future changes in board composition.

Recommendation 2.6: Induction, Education and Training

In accordance with the Company's Nomination and Remuneration Committee Charter, the Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Statement of Values

The Company's values are the guiding principles and norms that define what type of organisation Montem Resources Limited aspires to be and what it requires from its Directors, employees, and related parties.

CORE VALUES

- Integrity
- Teamwork
- Respect
- Sustainability
- Results

The Managing Director and his executive team are responsible for instilling these values across the organisation and our values statements for each value are outlined on the Company's website.

Recommendation 3.2: Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct (Code) designed to:

- provide a benchmark for professional behaviour throughout the Group;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Code.

The code of conduct is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures; and
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information and conflicts of interest.

Recommendation 3.3: Whistleblower Policy

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised at each Board Meeting.

The Whistleblower Policy is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

Recommendation 3.4: Anti-bribery and Corruption Policy

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed to maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level and/or Board level where appropriate.

The Anti-Bribery and Corruption Policy is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: Audit Committee

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board. The Audit and Risk Committee Charter is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The Company has established an Audit and Risk committee which comprises Mark Lochtenberg, William Souter and Susie Henderson who will be the chair of the committee. Each member is financially literate and Susie Henderson is a qualified accountant. Accordingly, at listing the Audit and Risk Committee will comply with the ASX Recommendation that all three members be non-executive Directors, a majority of whom are independent.

In accordance with the Company's Audit and Risk Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review and monitor the integrity of the Company's financial reports and statements;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the company.

It also has risk management and internal control functions as set out under Recommendation 6.1.

Recommendation 4.2: Assurances

The Audit and Risk Committee Charter that provides the a declaration from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

This resolution is satisfied insofar as the CEO and CFO will provide Section 295A declarations and submit to the Board prior to approving the Annual Report.

Recommendation 4.3: Verification of integrity of periodic corporate reports

The Company's external auditor is William Buck. William Buck will be in attendance at each Annual General Meeting and a representative will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Any periodic corporate reports the company intends to release to the market that are not audited or reviewed by an external auditor will be reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Continuous Disclosure Policy

The Company is committed to observing its continuous disclosure obligations and has adopted a Continuous Disclosure Policy to take effect from listing which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information. Under the disclosure policy the Disclosure Committee will be responsible for managing the Company's compliance with its continuous disclosure obligations.

In addition to being provided to the ASX, continuous disclosure announcements will also be available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

Recommendation 5.2: Provide Board with copies of all material market announcements

The Company will ensure that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

Recommendation 5.3: Investor Presentations

The Company will ensure that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Information and Governance

Information about the Company and its corporate governance policies is available on the Company's website, <http://montem-resources.com/corporate/corporate-governance/>.

Upon listing, the Company intends to maintain a separate investor page on the Company website to provide shareholders with links to annual and interim reports, ASX announcements, presentations, and other key information.

Recommendation 6.2: Investor Relations

Montem Resources places a high priority on communications with its Shareholders. Although it does not have an investor relations program currently in place, it considers that it will satisfy the ASX Recommendation through its disclosures:

- to the ASX company announcements platform,
- through its notices of meetings to Shareholders and
- the provision of all relevant documentation released on Montem Resources' website, including media releases, key policies and charters of the Board and its committees.

The Board considers that the aforementioned communications should be sufficient to ensure Shareholders are informed of all major developments affecting the affairs of the Company in accordance with all applicable laws.

The Board considers these departures from the ASX Recommendation are justified given the stage of development for the Company and the need to preserve funds. If in future an investor relations program is warranted then the Board will give due regard to the ASX Recommendation and terms of an investor relations program.

Recommendation 6.3: Shareholder Meeting Participation

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll

In order to ascertain the true will of Montem Resources Limited security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, the Company will conduct the voting procedure by a poll.

Recommendation 6.5: Electronic Communication with Shareholders

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Risk Committee

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee with at least three Directors a majority of whom must be independent where practicable, and all of whom must be non-executive Directors (to the extent that this is practical given the size and composition of the Board from time to time). The committee Chair must not be the Chair of the Company.

The Audit and Risk Committee Charter can be found on our website at <http://montem-resources.com/corporate/corporate-governance/>.

The Members of the Committee are:

- Susie Henderson (Chairperson), Independent Director
- Mark Lochtenberg, Independent Director
- William Souter, Independent Director

In accordance with the Company's Audit and Risk Committee Charter the Committee also has delegated responsibilities in relation to risk management which includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations.

The Company intends to disclose the number of times the committee met throughout the period and the individual attendances of the members in the Director's Report in future annual reports.

Recommendation 7.2: Risk Management Framework

The Company's risk management framework is supported by the Board of Directors and by Management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The Managing Director is responsible for monitoring and ensuring that appropriate processes and controls are in place to manage risk effectively and efficiently. The Managing Director is also responsible for monitoring compliance with and the effectiveness of risk management systems and controls at a divisional level including financial and non-financial risks. The Managing Director regularly reports to the Board on the adequacy of the risk management systems, processes, and key matters for consideration.

The Company's risk management framework including risk profile and risk registers are reviewed on a periodic basis by the Board.

Recommendation 7.3: Internal Audit

Due to the current size of the Company, and taking into account cost/benefit considerations, the Board does not currently consider it necessary to have an internal audit function. The Audit and Risk Committee Charter requires the Committee to oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes. The Committee will achieve this objective by closely monitoring

these areas and will require management to review and report on risk and internal control areas. The Committee may consider the use of external resources to assist as required.

The Board considers these departures from the ASX Recommendation are justified given the maturity of the Company and the need to preserve funds as an early stage business. If in future an internal audit function is warranted then the Board will give due regard to the ASX Recommendation and the establishment of an internal audit function.

Recommendation 7.4: Economic, Environmental and Social Risk

The Board is assisted by the Audit and Risk Committee for the oversight and reporting of material exposure to economic, environmental and social sustainability risks. A risk register for the Company is maintained to document the risks identified. A risk assessment and reporting procedure is used to assess all risks. Risk is reviewed as part of the Board and Audit and Risk Committee meetings. Should the risk profile of the Company change, the risk register will be updated to reflect this accordingly and any further controls required will be implemented.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY

Recommendation 8.1: Remuneration Committee

The Board has established a combined Nominations and Remuneration committee. It is intended that the Annual Report will disclose the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

A copy of the Committee's Charter is available on the Company's website at <http://montem-resources.com/corporate/corporate-governance/>.

The Members of the Committee are:

- William Souter (Chair), Independent Director;
- Robert Tindall, Non-Independent Director;
- Susie Henderson, Independent Director.

Recommendation 8.2: Remuneration Policies and Practices

The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are disclosed in the Company's Constitution and the Nomination and Remuneration Committee Charter.

As a non-listed public company, it has not been required to disclose information regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The Company intends to disclose the matters contemplated by ASX Recommendation 8.2 in future annual reports.

Recommendation 8.3: Equity Based Remuneration Scheme

The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

A copy of the Company's Share trading policy is available at <http://montem-resources.com/corporate/corporate-governance/>.