



CORPORATE GOVERNANCE POLICIES

BOARD CHARTER

The Board of Directors of Catalyst Metals Limited (Company) is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The overriding distinction between the role of the Board and the interaction with management is seen as “management formulates, the Board ratifies; management implements and the Board monitors”.

The Board has the following overall responsibilities:

- establishing the direction and strategies for the Company and monitoring the implementation of those strategies; and
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The monitoring and ultimate control of the business of the Company is vested in the Board. The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board’s primary responsibility is to oversee the Company’s business activities and management for the benefit of shareholders. The specific responsibilities of the Board include:

- appointment, evaluation, rewarding and if necessary, the removal of the Managing Director;
- establishing appropriate levels of delegation to the Managing Director to allow them to manage the Company’s operations effectively;
- adoption of the Company’s purpose and development of corporate objectives and strategy and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- overseeing management in its implementation of the Company’s strategic objectives, instilling of the Company’s values and performance generally;
- approving the Company’s statement of values and code of conduct to underpin the desired culture within the Company;
- monitoring actual performance against planned performance expectations;
- appreciation of areas of significant business risk (for both financial and non-financial risks) and ensuring arrangements are in place to adequately manage those risks;
- setting the risk appetite within which the Board expects management to operate;
- overseeing the management of safety and occupational health, environmental issues and community development;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the relevant period;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;

- whenever required, challenging management and holding it to account;
- to ensure that appropriate external audit arrangements are in place and operating effectively;
- reviewing and monitoring the Company's compliance with its corporate policies and protocols consistent with the ASX Corporate Governance Council best practice governance principles;
- determine whether the composition, remuneration and conditions of service for senior executives are appropriate;
- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- establish and monitor succession planning;
- appointment and review of executive and non-executive directors;
- appointment and removal of the Company Secretary;
- having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- reporting to shareholders.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter and must abstain from voting on the motion relating to the matter.

In accordance with the constitution of the Company, directors (other than any Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The Board does not specify a maximum term for which a director may hold office.

Board committees

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of committees as considered necessary. To this end the Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee.

The charter of each Board committee setting out the matters detailing its composition and responsibilities are separate documents which are approved by the Board.

The Board retains responsibility for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Board composition and independence

The Board should be of an appropriate size and collectively have the skills, commitment and knowledge of the Company and the industry in which it operates, to enable it to discharge its duties effectively and to add value. Where possible, the Board should comprise a majority of independent non-executive directors. The Board assesses the independence of each director in light of interests disclosed by them and the relationships which may affect independent status. An independent director is a non-executive director (i.e. is not a member of management) and who:

- is not a substantial shareholder of the Company;
- within the last 3 years has not been employed in an executive capacity by the Company;
- within the last 3 years has not been a material professional adviser or consultant to the Company;
- is not a material supplier or customer of the Company;
- has no material contractual relationship with the Company other than as a director of the Company;
- is not, does not represent and within the last 3 years has not been an officer or employee of, or professional adviser to, a substantial holder;

- receives performance-based remuneration or participates in an employee incentive scheme of the Company; or
- has close personal ties with any person who falls within any of the categories described above.

Consideration is given to the length of service of a director although an extended tenure by itself is not considered to compromise a director's independence.

Financial materiality thresholds used in the assessment of independence (both from the perspective of the Company and the director) are as follows:

- payments made by the Company to the director or any of his associated entities for the provision of goods and/or services does not exceed 1% of the annual gross expenditure of the Company; or
- payments received by the director for the provision of goods and/or services to the Company does not exceed 25% of the annual income or business turnover of the director or his associated entities.

Independent advice

Each director has the right to seek independent professional advice on matters relating to their position as a director of the Company or as necessary for them to discharge their responsibilities as directors, at the Company's expense, subject to the prior approval of the Chair (or in the case of the Chair, any two directors), which shall not be unreasonably withheld.

The roles of Chair and Managing Director are not combined. The Managing Director is accountable to the Board for all authority delegated to the position.

Foreign directors

In the event that a director does not speak the language in which key corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:

- such documents are translated into the director's native language; and
- a translator is present at all relevant Board and shareholder meetings.

Key corporate documents include the Company's constitution, prospectuses, product disclosure statements, corporate reports and continuous disclosure announcements.

COMPANY SECRETARY

The Board is responsible for the appointment and removal of the Company Secretary. The Company Secretary is responsible to the Board, through the Chair, on matters relating to the proper functioning of the Board. The Company Secretary also has a direct reporting line to the Managing Director on executive management matters.

DIVISION OF AUTHORITY – CHAIR AND MANAGING DIRECTOR

The Company recognises that it is important that the Chair and the Managing Director have distinct defined roles with clear functional lines. The division of responsibilities between the Chair and the Managing Director is determined by the Board from time to time.

Functions delegated to Chair

The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management and for the briefing of all directors in relation to issues arising at Board meetings. The Chair's responsibilities include to:

- chair Board meetings;
- establish the agenda for Board meetings, in consultation with the Managing Director and Company Secretary;
- ensuring that adequate time is available for discussion of all agenda items, including strategic issues;
- chair meetings of shareholders, including the annual general meeting of the Company;

- be the primary spokesperson for the Company at the annual general meeting;
- be the primary channel of communication and point of contact between the Board and the Managing Director;
- ensure the annual process of Board evaluation is conducted.

Functions delegated to Managing Director

The following functions have been delegated by the Board to the Managing Director and senior executives:

- formulating and reviewing, with the Board, the strategy for the Company and developing actions and plans to implement the strategy. Reporting to the Board on progress against those plans.
- appointing a management team and negotiating terms and conditions of employment and where appropriate, obtaining approval from the Remuneration Committee (when established). Considering succession, providing strong leadership to the management team, ensuring employees are properly instructed to achieve a safe workplace and ensuring compliance with laws and Company policies and that a high level of ethical behaviour is expected.
- ensuring appropriate checks are undertaken before the appointment of senior executives (including checks as to the person's character, experience, education, criminal record and bankruptcy history);
- reporting to the Board on various matters, with accurate, timely and clear information, including:
 - all matters requiring review or approval or to enable the Board to perform its responsibilities;
 - significant changes to the risk profile;
 - certification (with the Chief Financial Officer) to the Board on the fairness of the financial statements and that the certification is founded on a sound system of risk management and internal control;
 - reporting on the performance of the Company's activities and briefing of directors on the Company and its business environment (including financial performance of the Company, its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company).
- implementing the Company's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the Board.
- acting within delegated authority levels for capital expenditure, sale of assets, appointment and termination of executives.
- all other matters necessary for the day-to-day management of the Company and not reserved for the Board.