

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted the following suite of corporate governance policies and procedures (together, the **Corporate Governance Policies**):

- Board Charter;
- Corporate Code of Conduct;
- Audit and Risk Committee Charter;
- Nomination and Remuneration Committee Charter;
- Disclosure - Continuous Disclosure Policy;
- Disclosure - Risk Management Policy;
- Securities Trading Policy;
- Diversity Policy;
- Shareholder Communications Strategy; and
- Definition of Independence

The Company's Corporate Governance Policies are available on the Company's website at www.vysarn.com.au

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	Yes	The Company has adopted a Board Charter that sets out the specific responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is available on the Company's website.
Recommendation 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 relevant to a decision on whether or not to elect or re-elect a director.	Yes	(a) The Company has detailed guidelines for the appointment and selection of the Board in its Nomination and Remuneration Committee Charter. The Company's Charter requires the Remuneration and Nomination Committee (or, in its absence, the Board) to ensure appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director. In the case of candidates standing for re-election, the candidate's experience and qualification are also disclosed on the Company's website and in its annual reports.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Board Charter outlines the Company's requirement to have a written agreement with each Director and Senior Executive of the Company which sets out the terms of that Director's or Senior Executive's appointment.

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Recommendations	Comply	Explanation
<p>Recommendation 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.</p>	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
<p>Recommendation 1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for 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> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) 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>(B) 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 the Workplace Gender Equality Act.</p>	<p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>N/A</p>	<p>Refer to Schedule 8 of the Company's Corporate Governance Polices for further detail which is located on the Company's website.</p> <p>Refer above.</p> <p>At the end of the reporting period, there have been no formal objectives set to achieve gender diversity.</p> <p>100% of the Board is male. The Company Secretary was female.</p>
<p>Recommendation 1.6 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>	<p>Yes</p> <p>Yes</p>	<p>(a) The Company's Nomination Committee (or, its absence, the Board) is responsible for arranging a performance evaluation of the Board, its Committees (if any) and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Nomination and Remuneration Committee Charter, which is available on the Company's website.</p> <p>(b) No formal review was conducted during the 2018 financial year, the Board initiated a cost saving initiative and the Directors from October 2017 did not receive any Director fees.</p>
<p>Recommendation 1.7 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 undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>(a) Refer to Schedule 1 of the Company's Corporate Governance Polices for further detail which is located on the Company's website.</p> <p>(b) There are currently no Senior Executives in the Company.</p>

Recommendations	Comply	Explanation
Principle 2: Structure the board to add value		
<p>Recommendation 2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>No</p> <p>Yes</p>	<p>(a) The Company has not established a Nomination Committee.</p> <p>(b) The Company's Nomination and Remuneration Committee Charter provides for the creation of a Remuneration and Nomination Committee (if it considered it will benefit the Company), a majority of whom are to be independent Directors, and which must be chaired by an independent Director.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate nomination committee. Nominations of new Directors are considered by the full Board, all directors are involved in the search and recruitment of a replacement. The Board has taken the view that the full Board will hold special meetings as 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, and review 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>Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>No</p>	<p>The details of the current skill set of the current Directors are set out in the description of each Director in the Annual Report. The Board believes that the current skill mix is appropriate given the Company's size and the stage of the entity's life as a publicly listed exploration Company.</p>
<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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>Yes</p> <p>Yes</p> <p>Yes</p>	<p>(a) The following directors are considered independent;</p> <ul style="list-style-type: none"> • Mr Nicholas Young Non-Executive Director • Mr Faldi Ismail Non-Executive Director <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports. Mr Nicholas Young is a Director of Onyx Corporate Pty Ltd. Onyx provides Company Secretarial and CFO services to the Company within the last three years, the services are not provided by Nicholas Young and the Board is of the opinion that this does not compromise his independent status.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director, as at the end of each financial year.</p>
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>The Board Charter requires that, where practical, the majority of the Board should be independent. A majority of current directors are independent directors. As such, independent directors are currently a majority of the Board. Details of each Director's independence are provided in the Annual Reports and Company website.</p>

Recommendations	Comply	Explanation
<p>Recommendation 2.5</p> <p>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>	No	The Non-executive Chair of the Board is Mr Peter Hutchinson. Mr Peter Hutchinson is a substantial security holder of the Company and in the absence of a CEO acts in the capacity in that role. Mr Hutchinson is not an independent Director. The role and position of Mr Hutchinson is considered to be in the best interests of the Company as it continues to identify opportunities for value accretion and/or a liquidity event.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	Yes	The Board Charter states the Company is committed to the development of its Directors and Executives. The Board 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.
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Yes	<p>(a) Refer to Schedule 2, The Company's Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Code of Conduct is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(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> <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 engagement partner.</p>	<p>No</p> <p>Yes</p>	<p>(a) The Company does not currently have an Audit Committee.</p> <p>(b) The Board has adopted an Audit and Risk Committee Charter. The Board as a whole fulfills the functions detailed in the Audit and Risk Committee Charter, that would normally be delegated to the Audit Committee</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 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 receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.</p> <p>Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.</p> <p>There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.</p>
<p>Recommendation 4.2</p> <p>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 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.</p>	Yes	The Company's Audit and Risk Committee Charter requires the Board to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared 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.

Recommendations	Comply	Explanation
<p>Recommendation 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.</p>	Yes	The external auditors attend Vysarn Limited's AGM and are available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1 A listed entity should: (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.</p>	Yes	<p>(a) The Company has adopted a Continuous Disclosure Policy which sets out the processes the Company follows to comply with its continuous disclosure obligations under the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Company's Continuous Disclosure Policy is available within the Corporate Governance Plan on the Company website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.
<p>Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.
<p>Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
<p>Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company's Share Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (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 (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>No</p> <p>Yes</p>	<p>(a) The Company does not currently have a separate Risk Committee.</p> <p>(b) The Board has adopted an Audit and Risk Committee Charter. The Board is ultimately responsible for risk oversight and risk management. As a whole the Board fulfills the functions detailed in the Audit and Risk Committee Charter, that would normally be delegated to the Risk Committee.</p>

Recommendations	Comply	Explanation
<p>Recommendation 7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p> <p>No</p>	<p>(a) The Audit and Risk Management Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.</p> <p>(b) The Board continues to review the risk profile of the Company and monitors risk informally throughout the year.</p>
<p>Recommendation 7.3 A listed entity should disclose:</p> <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>No</p> <p>Yes</p>	<p>(a) The Audit and Risk Committee Charter provides for the internal audit function of the Company and outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p> <p>(b) The Company does not have an internal audit function. As the Company grows the Board will consider whether the appointment of a contract internal auditor would be beneficial in assisting them in discharging their responsibilities under the Audit and Risk Management Committee Charter. Currently the transactions within the Company are minimal and within the assigned budgets that are provided to the Board on a regular basis.</p>
<p>Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Company has no material exposure to economic, environmental or social sustainability risks.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <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 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>No</p> <p>Yes</p>	<p>(a) The Company does not currently have a separate Remuneration Committee.</p> <p>(b) The Board has adopted a Nomination and Remuneration Committee Charter. The Board as a whole performs the function of the Remuneration committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate remuneration committee.</p>
<p>Recommendation 8.2 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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>Yes</p>	<p>The Company's Nomination and Remuneration Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executive to be disclosed in the Company's Annual Report.</p>

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<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none">(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(b) disclose that policy or a summary of it.	N/A	The Company does not have an equity-based remuneration scheme in place.