FY24
CORPORATE GOVERNANCE STATEMENT

Introduction

Vysarn Limited (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommended corporate governance practices for ASX listed entities set out in the 4th edition of the ASX Corporate Governance Council Principles and Recommendations (**Principles and Recommendations**).

This Corporate Governance Statement discloses the extent to which the Company followed the recommendations set out in the 4th edition of the Principles and Recommendations (**recommendations**) for the period 1 July 2023 to 30 June 2024 (**Reporting Period**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The information in the statement is current as at September 2024 and was approved by a resolution of the Board in October 2024.

Corporate Governance Policies and Procedures

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

- Statement of Values
- Board Charter
- Audit and Risk Committee Charter
- Nomination and Remuneration Committee Charter
- Policy and Procedure for the selection and (Re) Appointment of Directors
- Process for performance evaluations
- Risk Management Policy
- Shareholder Communication and Investor Relations Policy
- Securities Trading Policy
- Code of Conduct
- Anti-Bribery and Corruption Policy
- Whistleblower Policy
- Diversity Policy
- Continuous Disclosure Policy and
- Continuous Disclosure Compliance Procedures

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

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1

Compliant: YES

Recommendation

A listed entity should have and disclose a board charter setting out:

(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.

Explanation

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its *Board Charter*, which is disclosed on the Company's website.

Recommendation 1.2

Compliant: YES

Recommendation

A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and

(b) provide security holders with all material information in possession relevant to a decision on whether or not to elect or re-elect a director.

Explanation

The Board undertakes appropriate checks before appointing a person. These checks were undertaken for all Directors, or putting forward to shareholders a candidate for election as a director, and provides shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director. The checks that are undertaken, and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors*, which is disclosed on the Company's website.

The Company provided shareholders with all material information in relation to:

- the re-election of Director Peter Hutchinson at the annual general meeting held on 23 November 2023.

Recommendation 1.3

Compliant: YES

Recommendation

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Explanation

The Company has a written agreement with each of its Directors, including its Executive Directors and Senior Executives.

The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is related party of the Chief Executive Officer or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

Compliant: YES

Recommendation

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.

Explanation

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter.

Recommendation 1.5

Compliant: NO

Recommendation

A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:

(i) the measurable objectives set for that period to achieve gender diversity;

(ii) the entity's progress towards achieving those objectives; and

(iii) either:

(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or

(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.

Explanation

The Company has a Diversity Policy, which is disclosed on the Company's website. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. Nor has the Board set measurable objectives for achieving gender diversity.

Given the Company's stage of development and the number of employees, the Board considers it is not practical to set measurable objectives for achieving gender diversity at this time.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisations are set out in the following table. Senior executives for these purposes means those person who report directly to the chief executive officer (or equivalent):

	Male	Female	Total
Board of Vysarn	3	-	3
Senior executives	7	-	7
Total	**10**	**0**	**10**

Recommendation 1.6

Compliant: YES

Recommendation

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Explanation

Performance evaluations are to be conducted in accordance with the Company's *Process for Performance Evaluations*, which is disclosed on the Company's website.

Performance evaluations were undertaken in the reporting period in accordance with the Company's *Process for Performance Evaluations*.

Recommendation 1.7

Compliant: YES

Recommendation

A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Explanation

Performance evaluations are to be conducted in accordance with the Company's *Process for Performance Evaluations*, which is disclosed on the Company's website.

Senior executive performance reviews were completed in June 2024.

Principle 2: Structure the Board to Be Effective and Add Value

Recommendation 2.1

Compliant: YES

Recommendation

The board of a listed entity should:

(a) have a nomination committee 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 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.

Explanation

The Board has not established a separate Nomination and Remuneration Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination and Remuneration Committee. Accordingly, the Board performs the role of the Nomination and Remuneration Committee. Although the Board has not established a separate Nomination and Remuneration Committee, it has adopted a Nomination and Remuneration Committee Charter, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination and Remuneration Committee, and is disclosed on the Company's website.

When the Board convenes as the Nomination and Remuneration Committee it carries out those functions which are delegated to it in the Company's Nomination and Remuneration Committee Charter. Separate meetings of the full Board in its capacity as the Nomination and Remuneration Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination and Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Details of director attendance at meetings of the full Board, in its capacity as the Nomination and Remuneration Committee, during the Reporting Period, are set out in a table in the Directors' Report.

Recommendation 2.2

Compliant: YES

Recommendation

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.

Explanation

The mix of skills and diversity which the Board is looking to achieve in its membership is represented by the composition of its current Board.

A copy of the Company's board skills matrix can be found at Appendix 1.

Recommendation 2.3

Compliant: YES

Recommendation

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(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 (4th Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director

Explanation

The board considered the independence of Directors with regards to factors set out in Box 2.3 of the 4th edition of the ASX Principles and Recommendations.

During the Reporting Period, the Company did not have any independent directors, and currently does not have any independent directors.

Names of Directors during the Reporting Period and their length of service up to the date of this statement, or their resignation date is noted below:

Name	Length of Service
Mr Peter Hutchinson (Chairman)	6 years and 10 months
Mr Sheldon Burt	5 years and 4 months
Mr James Clement	4 years and 7 months

Principle 2: Structure the Board to Be Effective and Add Value continued...

Recommendation 2.4

Compliant: NO

Recommendation
A majority of the board of a listed entity should be independent directors.

Explanation
As set out in the Company's Board Charter, where practical and consistent with the Company's stage of development, a majority of the Board should be comprised of independent directors, and the Chairman should be an independent non-executive director.

However, the Board does not include any independent directors as Messrs Clement and Burt perform an executive role with the Company, Mr Hutchinson is a substantial shareholder of the Company.

The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board. However, the Board considered that a Board weighted towards industry and technical experience is appropriate at the stage of the Company's development.

As the Company's operations progress, the Board will review the composition of the Board, including the independence of its Directors.

Recommendation 2.5

Compliant: NO

Recommendation
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.

Explanation
The Non-executive Chairman of the Board is Mr Hutchinson. Mr Hutchinson is a substantial security holder of the Company. Notwithstanding the lack of independence, the Board deemed Mr Hutchinson to be the most appropriate person as the Chair or the Company given his:

- experience in the role of Chairman; and
- extensive Public Company experience.

Recommendation 2.6

Compliant: YES

Recommendation
A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as a director effectively.

Explanation
The Company has an induction program that it uses when new directors join the Board and when new senior executives are appointed. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity.

The full Board in its capacity as the Nomination and Remuneration Committee regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the full Board in its capacity as the Nomination and Remuneration Committee considers what training or development should be undertaken to fill those gaps. In particular, the full Board in its capacity as the Nomination and Remuneration Committee ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements.

Principle 3: Instil a Culture of Acting Lawfully, Ethically, and Responsibly

Recommendation 3.1

Compliant: YES

Recommendation
A listed entity should articulate and disclose its values.

Explanation
The Company's Statement of Values is disclosed on the Company's website.

Recommendation 3.2

Compliant: YES

Recommendation
A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and

(b) ensure that the board or committee of the board is informed of any material breaches of that code.

Explanation
The Company has established a *Code of Conduct* for its directors, senior executives and employees, which is disclosed on the Company's website.

Recommendation 3.3

Compliant: YES

Recommendation
A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Explanation
The Company has also adopted a *Whistleblower Policy* to encourage the reporting of any unlawful or unethical behaviour, including violations (or suspected violations) of the Company's *Code of Conduct* and/or *Anti-Bribery and Corruption Policy* and to provide effective protection from detriment to those reporting by implementing systems for confidentiality and report handling. The Company's *Whistleblower Policy* is disclosed on the Company's website.

Recommendation 3.4

Compliant: YES

Recommendation
A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

Explanation
The Company has also established an *Anti-Bribery and Corruption Policy*, which is disclosed on the Company's website.

Principle 4: Safeguard the Integrity of Corporate Reports

Recommendation 4.1

Compliant: YES

Recommendation

The board of a listed entity should:

(a) have an audit committee which:

(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(ii) is chaired by an independent director, who is not the chair of the board, and disclose:

(iii) the charter of the committee;

(iv) the relevant qualifications and experience of the members of the committee; and

(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

(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.

Explanation

The Company does not have a separate Audit and Risk Committee.

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit and Risk Committee. Accordingly, the Board performs the role of the Audit and Risk Committee.

Although the Board does not have a separate Audit and Risk Committee, it had adopted an Audit and Risk Committee Charter, which is disclosed on the Company's website.

When the Board convenes as the Audit and Risk Committee it carries out those functions which are delegated to it in the Company's Audit and Risk Committee Charter. Separate meetings of the full Board in its capacity as the Audit and Risk Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit and Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The Company has established a *Procedure for the Selection, Appointment and Rotation of its External Auditor*, which is an appendix to the Audit and Risk Committee Charter.

Recommendation 4.2

Compliant: YES

Recommendation

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.

Explanation

During the Reporting Period, the Board received, prior to approving the Company's financial statements, from the CEO and CFO the declaration required that in their opinion the financial records of the entity had been properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Company and that the opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.

Recommendation 4.3

Compliant: YES

Recommendation

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Explanation

The Company ensures that all non-audit corporate reports are subject to robust review and analysis from management and full board sign-off prior to release.

Principle 5: Make Timely and Balanced Disclosure

Recommendation 5.1

Compliant: YES

Recommendation
A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

Explanation
The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company's *Policy on Continuous Disclosure* and *Compliance Procedures* are disclosed on the Company's website.

Recommendation 5.2

Compliant: YES

Recommendation
A listed entity should ensure that its board received copies of all material market announcements promptly after they have been made.

Explanation
The Board receives copies of all material market announcements promptly after they have been made.

Recommendation 5.3

Compliant: YES

Recommendation
A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Explanation
The Company ensures presentation materials are released to the market ahead of the presentation.

All announcements made to the market, and related information (including information provided to analysts or the media during briefings) are placed on the company's website after they are released to the ASX.

Principle 6: Respect the Rights of Security Holders

Recommendation 6.1

Compliant: YES

Recommendation
A listed entity should provide information about itself and its governance to investors via its website.

Explanation
Information about the Company and its governance practices is available on its website at www.vysarn.com.au

Recommendation 6.2

Compliant: YES

Recommendation
A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

Explanation
The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication* and *Investor Relations Policy*, which is available on the Company's website.

Recommendation 6.3

Compliant: YES

Recommendation
A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Explanation
The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Communication to shareholders is facilitated by the production of the annual report, half-yearly report and announcements which are all made available on the Company's website. In addition, all shareholders are encouraged to attend the Annual General Meeting and use the opportunity to ask questions during the meeting and after the Chief Executive Officer's presentation. The external auditor also attends the AGM and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 6: Respect the Rights of Security Holders continued...

Recommendation 6.4

Compliant: YES

Recommendation
A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than show of hands.

Explanation
The Company ensures that all resolutions at a meeting of security holders are decided by poll rather than a show of hands. Security holder meetings held during the reporting period included the Company's AGM held on 23 November 2023.

Recommendation 6.5

Compliant: YES

Recommendation
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.

Explanation
Shareholders are given the option to receive and send communications electronically, this was a service provided through the Company's share registry.

Principle 7: Recognise and Manage Risk

Recommendation 7.1

Compliant: NO

Recommendation
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.

Explanation
The Company did not have a separate Risk Committee.

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of the Audit and Risk Committee.

Although the Board does not have a separate Risk Committee, the Company has adopted a Risk Management Framework which identifies economic, environmental and social sustainability risks. It then puts in place a comprehensive suite of mitigation plans to reduce the Groups' risk profile down to levels approved by the Board.

The Executive monitors the mitigation plans to ensure appropriate progress is being made on the agreed plans, and formally Management review all the risks identified in the Group on a quarterly basis and by the Board regularly. with a sharp focus on identifying new risks which are emerging to ensure mitigation plans are raised early.

Risk Management is a Board meeting agenda item each month. The Company's Enterprise-Wide Risk Register is tabled each month, with a key focus on the Company's top 10 board monitored risks. Overarching this approach to risk management are the values and safety standards adopted by the Company that govern company-wide behaviour and the standards by which it measures risk.

Recommendation 7.2

Compliant: YES

Recommendation
The board or a committee of the board should:

(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound and that the entiy is operating with due regard to the risk appetite set by the board; and

(b) disclose in relation to each reporting period, whether such a review has taken place.

Explanation
The Board regularly reviews the Company's Risk Management framework. to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

Recommendation 7.3

Compliant: YES

Recommendation
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 governance, risk management and internal control processes.

Explanation
The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's *Risk Management Policy*.

Principle 7: Recognise and Manage Risk continued...

Recommendation 7.4

Compliant: YES

Recommendation
A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

Explanation
The Company has adopted a Risk Management Standard that monitors, measures and puts in place strategies to address economic, environmental and social sustainability risks.

The Risk Management Standard, Risk Matrix and subsequent Risk Assessment is reviewed by management on a quarterly basis and by the board regularly, with a sharp focus on constant and continuous improvement in addressing or mitigating the identified risks. Overarching this approach to risk management are the values adopted by the Company that govern company-wide behaviour and the standard by which it measures risk.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1

Compliant: YES

Recommendation
The board of a listed entity should:

(a) have a remuneration committee 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 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.

Explanation
The Company did not have a separate Remuneration Committee.

Please refer to disclosure in relation to "Recommendation 2.1" on page 4 above.

Recommendation 8.2

Compliant: YES

Recommendation
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.

Explanation
Details of the Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives for the Reporting Period are set out in the Company's Remuneration Report.

Recommendation 8.3

Compliant: N/A

Recommendation
A listed entity which has an equity-based remuneration scheme should:

(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

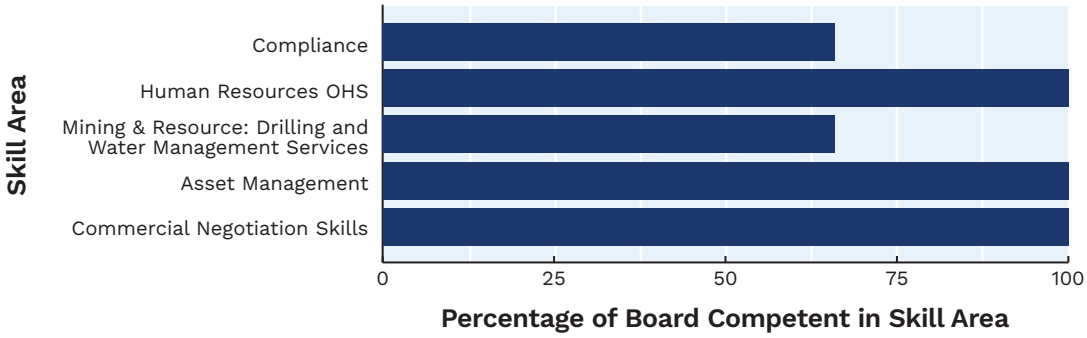
(b) disclose that policy or a summary of it.

Explanation
The Company does not have an equity-based remuneration policy in place.

Appendix 1 – Board Skills Matrix

The Board has identified that the appropriate mix of skills and diversity required of its members to operate effectively and efficiently is achieved by personnel having substantial skills and experience in the following Industry Skills: mining and resource drilling and water management services, commercial negotiation skills, human resources and occupational health and safety, asset management, and compliance.

The skills and experience of the Board in each of these areas is summarised as follows:



In addition, directors of the Company are expected to be knowledgeable and experienced in the following areas: director duties and responsibilities, strategic expertise, accounting and finance, legal, risk and compliance oversight, corporate governance, information and technology strategy and governance, executive management, and commercial experience.

The skills and experience of the Board in each of these areas is summarised as follows:

Gaps in the collective skills of the Board are considered regularly by the full Board in its capacity as the Nomination and Remuneration Committee.