

## VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

### 2021 CORPORATE GOVERNANCE STATEMENT

The corporate governance statement included in our 2021 annual report was based on the third edition of the ASX Corporate Governance Council's *ASX Corporate Governance Principles and Recommendations*. As it ought to have based on the fourth edition of that document, the directors of the Company, who are primarily responsible for the corporate governance practices of the Company, have authorised this revised Corporate Governance Statement (based on the fourth edition) setting out the main corporate governance practices in operation throughout the Company for the financial year ended 31 March 2021.

This revised Corporate Governance Statement was approved by the Board on 12 May 2022.

#### 1. Introduction

Effective corporate governance is critical for the long-term success of ViaGold Rare Earth Resources Holdings Limited (**ViaGold** or **Company**). The board of ViaGold (**Board**) is committed to maintaining and enhancing a strong corporate governance framework for the Company and is responsible for the overall corporate governance of the Company.

The Board monitors the operational and financial position, and overall performance, of ViaGold and oversees its business strategy, including approving its strategic goals. The Board is committed to maximising performance, generating value and financial returns for shareholders and sustaining the growth and success of the Company.

With these objectives in mind, the Board seeks to ensure that ViaGold is properly managed and the Company, its directors (**Directors**), other officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing ViaGold, including the adoption of internal controls, risk management processes and corporate governance policies and practices, which it believes is appropriate for the Company's business and which is designed to promote the responsible management and conduct of ViaGold.

#### 2. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines and under the ASX Listing Rules, ViaGold is required to provide an annual corporate governance statement disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where ViaGold has not followed a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. It must also disclose what (if any) alternative governance practices it has adopted in lieu of the recommendation during that period.

The Company's current departures from the ASX Recommendations are set out in Section 9.

The key aspects of the Company's corporate governance practices are summarised below. These charters and policies are available on its website at [www.viagold.ws](http://www.viagold.ws).

#### 3. Board of Directors

During the period, the Board comprised of three executive directors and five non-executive directors, of whom four (4) (namely, Mr. Yang Wang, Mr. Fuchuan Guo, Mr. Xunchang Hu and Ms. Jingcui Hong) are considered by the Board to be independent. The Directors are:

Mr. Chang Yuan Liao, Chairman, initially appointed as executive director on 29 September 2017 and then appointed as Chairman on 30 September 2019, age 57.

Ms. Mulei Shi; Chief Executive Officer, appointed on 8 Oct 2010, age 41.

Dr. Longguang Shi; initially appointed as Chairman and executive director on 16 September 2010, He ceased to be an executive, but continued as a non-executive director and Chairman on 4 May 2011. On 30

September 2019, he stepped down as Chairman but has continued as a non-executive director, age 71.

Mr King Choi Leung; Executive Director, appointed on 8 October 2010, age 71.

Mr. Yang Wang; Non-executive Director, appointed on 17 September 2012, age 68.

Mr. Fuchuan Guo; Non-executive Director, appointed on 29 September 2017, age 55.

Mr. Xunchang Hu; Non-executive Director, appointed on 10 November 2017, age 61.

Ms. Jingcui Hong; Non-executive Director, appointed on 30 September 2019, age 40.

Further information on the Directors, including their period in office, qualifications, experience, special responsibilities and other listed company directorships can be found in the Annual Report and at [www.viagold.ws](http://www.viagold.ws)

#### Independence

During the period, the Board was evenly split between Directors considered by the Board to be independent and those who were not independent. This is not consistent with the ASX Recommendations that a majority of the Board be independent directors. However, it does represent an increase in the proportion of Directors considered by the Board to be independent. Further, the Board intends to continue to assess its composition and will look to appoint further additional, suitably qualified and experienced, independent persons to the Board.

#### Director appointment, election and re-election

The Board undertakes appropriate checks before appointing and/or putting forward any person as a candidate for election as a Director and provides shareholders with all material information in its possession relevant to the election (or re-election) of each Director. For all appointments, the Board determines the selection criteria, identifies potential candidates and undertakes an assessment of their background, skills, experience, personal qualities and, once completed, appoints the candidate most suited to the role.

The Company has a written agreement with each Director setting out the terms of their appointment. The Company also has a written agreement with each senior executive setting out the terms of their appointment. All appointments are recorded in the Company's books and registers and advised to the requisite regulatory authorities.

Under ViaGold's Constitution, with the exception of the Managing Director, Directors may not hold office without election beyond the third Annual General Meeting (AGM) following their election or most recent re-election. Any director appointed to fill a casual vacancy must submit themselves for election at the next AGM.

#### Role and Responsibilities of the Board

The Board's role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

The primary responsibilities of the Board include:

- the establishment of the long term goals of the Company and the strategic plans to achieve those goals;
- the approval of the annual and half year financial statements of the Company;
- the review and adoption of annual budgets for the financial performance of the Company and monitoring the results on a quarterly basis; and
- ensuring that the Company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the Managing Director). A copy of the Board Charter can be found at [www.viagold.ws](http://www.viagold.ws).

The Managing Director is responsible for the day-to-day management of the Company, supported by the Company's

senior executives. However, the ultimate responsibility for governance and strategy resides with the Board.

#### Structure and Composition of the Board

ViaGold is committed to ensuring the composition of the Board includes Directors who bring the appropriate mix of skills, experience, expertise and diversity to Board decision making. It considers that having a diversity of skills background, knowledge and gender are important in effectively governing the Company.

The Board considers that its Directors and Senior Management have the necessary skills and experience to discharge their responsibilities. The background and experience of the Directors is set out on pages 22 and 23 of the Company's 2021 Annual Report. In addition, set out below is a Director skills/experience matrix applicable to the Board as it was composed at the end of the financial year:

<b>Skill/Experience</b>	<b>Board</b>
<b>Total Number of Directors</b>	8
<b>Financial Acumen</b> Experience in financial accounting and reporting, corporate finance and internal financial controls	5
<b>Commercial Capability</b> Broad range of commercial skills and experience	5
<b>Strategy</b> Experience in developing and implementing a successful strategy over the long-term	5
<b>Industry Experience</b> Experience working in the rare earth processing & marketing sector	4
<b>Global Experience</b> Experience in a global business exposed to a range of cultural, political and regulatory environments	4
<b>Sales and Marketing Experience</b> Sales and Marketing Experience	4
<b>Corporate Governance and Compliance</b> Experience and an understanding of a high level of governance, business ethics and regulatory compliance	4
<b>Investor Relations</b> Understanding of investor relations and the steps required to develop long-term value for shareholders	4

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity;
- Focus on the material issues;
- Think strategically and take a 'whole of organisation' perspective;
- Understand the external environment and deal with pressures from external sources;
- Influence effectively at the board table;
- Respect alternative viewpoints; and
- Hold management accountable.

#### Board Performance Evaluation

ViaGold is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

While the Board does not have a formal policy for reviewing and evaluating the performance of the Board or its Committees, Chair or individual Directors, it does regularly assess, review and analyse how the Board, Committees and Directors function and the time spent considering matters by the Board and by the Committees. The Chair monitors performance on an ongoing basis and discusses performance individually with directors on a periodic basis. In all reviews and assessments, the balance of skills, experience, independence and knowledge are taken into consideration as well as how the Board works together as a unit.

#### Professional Development

The Board reviews whether the Directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and its Committees effectively and, where gaps are identified, consider what training or development could be undertaken to fulfil those gaps and/or what additional persons might be added to the Board or senior management team to address any identified weaknesses.

#### Remuneration

The Remuneration Committee oversees the fixing of the remuneration for the Directors and the Managing Director and ensures generally that such remuneration is appropriate and not excessive. While the Managing Director is directly responsible for setting the remuneration of other members of the senior management team, the Remuneration Committee provides advice to the Managing Director on these issues.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

#### Induction

The Board provides an induction program to all new Directors.

#### Meetings and documents

Board meetings and shareholders meetings are held predominantly in English. At any meeting which a Director attends which is held in a language foreign to that Director (or in respect of any document in a foreign language made available to a Director), the Company ensures a translator who is able to translate proceedings (or the relevant document) is in attendance and time is taken to enable the translation to take place. Similarly, key corporate documents are ordinarily sent in advance of meetings to allow sufficient time for their translation to be undertaken.

Time is also taken to ensure all Directors understand and can contribute to the discussions at those meetings and understand and can discharge their obligations in relation to key documents, regardless of the language used in the meeting or the document.

### **4. Board Committees**

To assist the Board in discharging its duties efficiently and effectively, it has established an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee. Each Committee operates within its Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee. It is the intention of the Board to merge the Remuneration and Nomination Committees into one in the future.

Each established Committee meets as required and, generally, no less than twice a year. Two Audit & Risk Committee meetings were held during the period.

#### Audit & Risk Committee

ViaGold has established an Audit & Risk Committee. It had two members only during the period, both of whom are independent. The Committee is chaired by an independent director who is not the chairman of the Board.

Members of the Audit & Risk Committee during the period were:

Mr. Yan Wang, independent Non-Executive Director, Chair

Ms. Fuchuan Guo, independent Non-Executive Director.

The qualifications and experience of the members of the Committee are set out in the 2021 Annual Report.

The Audit & Risk Committee Charter is available at [www.viagold.ws](http://www.viagold.ws).

The Audit & Risk Committee reviews, along with the CEO and CFO:

- the annual and half-year financial statements prior to their approval by the Board;
- the effectiveness of management information systems and systems of internal control;
- the appointment of external auditors; and
- the efficiency and effectiveness of external audit functions, including reviewing the relevant audit plans.

During the period, the Audit & Risk Committee also had responsibility for, and undertook a review of, the Company's risk management framework. It will continue to review the Company's risk management framework at least annually. The reviews focus on the Committee satisfying itself that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

As the Company does not have an internal audit function, the Audit & Risk Committee is also responsible for making recommendations on the Company's systems of internal controls. This includes constant monitoring of the operational and financial aspects of the Company's activities, identifying and evaluating financial risks in close co-operation with the Company's business units and making recommendations to the Board. It also involves review and assessment of the external auditors and other advisers on the operational and financial risks that are facing the Company.

While the Company has no record of material exposure to environmental or social risks, the Board recognises the importance of ensuring the economic, environmental and social sustainability of the Company. The Board monitors sustainability issues and works closely with management to establish best practice around environmental efficiency and waste, and collaborates closely with all stakeholders in setting appropriate sustainability objectives for product and services development.

The number of times the Committee met throughout each reporting period and the individual attendances of the members at those meetings are ordinarily recorded and kept at the Company Secretariat office.

Should the Company determine it has any material exposure to economic, environmental and/or social sustainability risks, it will disclose how it will manage those risks.

#### Nomination Committee

While ViaGold has a Nomination Committee, it is currently comprised of two Directors only (Mr Yan Wang (Committee Chair) and Mr Changyuan Liao). While the Committee makes recommendations to the Board, it is the Board as a whole which is responsible for Board succession issues and ensures there is an appropriate balance of skills, knowledge, experience, independence and diversity on the Board to discharge its duties and responsibilities effectively. A copy of the Nomination Committee Charter can be found at [www.viagold.ws](http://www.viagold.ws).

Given the size of the Company and its management team, the Board believes this has been an appropriate way in which to deal with this aspect of the Company's governance at this time. It is, however, intended to merge the Remuneration and Nomination Committees (to form the Remuneration and Nomination Committee) with a composition that accords with the ASX Recommendations. If, for any reason, that merger of the Committees does not take place, another independent Director will be added to the Nomination Committee in the near future.

#### Remuneration Committee

The Board has a Remuneration Committee. It is currently comprised of three Directors (Mr Yan Wang (Committee Chair), Mr Changyuan Liao and Mr Fuchuan Guo), a majority of whom are independent Directors. An independent Director, Mr Yan Wang, chairs the Remuneration Committee. Given the size of the Company's

management team, the Board believes this is appropriate at this time. A copy of the Remuneration Committee Charter is available at [www.viagold.ws](http://www.viagold.ws).

The Remuneration Committee will hold meetings as often as it considers necessary and the number of times the Committee meets throughout the annual reporting period will ordinarily be disclosed in the Annual Report and attendance of the members at those meetings recorded in the minutes book of the Company.

Remuneration packages may contain any or all of the following:

- annual salary based on the relevant market;
- ad hoc rewards, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution;
- a lump sum payment related to achievement of identified business drivers and personal key performance indicators measured over a year (or longer period, as appropriate); and
- other benefits such as holiday and sickness benefits and superannuation payments.

The Remuneration Committee reviews the remuneration of executives every year and considers individual performance, comparative remuneration in the market and, where appropriate, external advice.

The Committee provides this information together with a recommendation to the Board for its consideration.

For the Directors, remuneration is determined with regard to the Company's need to maintain appropriately experienced and qualified Board members and in accordance with competitive pressures in the marketplace. The Remuneration Committee may from time to time seek independent advice in relation to the remuneration of the Directors and may make recommendations to the Board and to members in relation to any total fee increase.

The Board reviews Directors' remuneration on an annual basis. From time to time, the Board may ask an individual Director to devote extra time or to undertake extra duties. Directors who undertake these tasks may, at the Board's direction, receive extra amounts. Directors are also reimbursed for expenses associated with undertaking their duties.

Further information on the remuneration policies and remuneration of the Directors and senior executives is provided in the Remuneration Report found in the Company's Annual Report.

The Company did not grant options or other equity securities to employees in this financial year. However, if and when options are granted to employees, they are granted in accordance with the Employee Securities Plan Rules. Offer to employees will generally include restrictions on dealings with employee securities except with prior written consent from the Board. As a general rule, employees and other participants in equity based remuneration arrangements are not permitted to enter into transactions, whether derivative based or otherwise, which limit the economic risk of participation in such arrangements and/or schemes.

#### Company Secretary

Mr King Choi (Peter) Leung was appointed on 7 August 2015 as the Company Secretary. He is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter.

## 5. Senior Executives

Senior executives manage the day-to-day tasks of the Company under the guidance and direction of the Managing Director. ViaGold recognises the importance of its senior executives to the Company's growth and performance. Accordingly, the Company undertakes regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The Managing Director reviews the performance of senior executives annually. These evaluations assess the completeness and effectiveness of each senior executive in meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its corporate goals and whether the

executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

A performance review of the senior executives who report to the Managing Director was undertaken by the Managing Director during the course of this year.

## 6. Diversity

ViaGold is committed to diversity and inclusion in its workplace. It has a Diversity Policy, a copy of which can be found at [www.viagold.ws](http://www.viagold.ws). Given the size, location and stage of development of the Company's businesses, and despite having adopted a formal policy, the Board believes it is appropriate to be focused more on diversity of expertise and experience and equality of opportunity than on gender or ethnic diversity across the businesses.

Proportions of men and women on the Board and in senior executive positions in September 2021 were as follows:

Board: 6 persons or 75% are male, 2 persons or 25% are female.

Senior Executives: 7 persons or 78% are male, 2 persons (including the CEO) or 22% are female.

## 7. Values

ViaGold's values include (but are not limited to):

- ensuring sound standards of corporate governance and compliance with all applicable laws;
- being honest, transparent and accountable in all business dealings;
- fostering innovation, enterprise and continuous learning within the organisation; and
- respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

### Ethical and Responsible Behaviour

ViaGold is committed to acting ethically and responsibly, including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

### Code of Conduct

ViaGold's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behaviour and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among the Company's officers and employees.

Failure to comply with the Code is viewed as a serious matter and may lead to disciplinary action by the Board, including dismissal and/or legal action. Material breaches of the Code are reported to the Board.

A copy of the Code can be found at [www.viagold.ws](http://www.viagold.ws).

### Conflicts of Interest

ViaGold's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the applicable laws, Directors who have a material personal interest in a matter must not be present while the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to a particular issue if they are satisfied that the interest should not disqualify the Director/s from voting and/or being present.

### Whistleblower

ViaGold's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment. The policy is made available to all officers, employees and contractors and can be found at [www.viagold.ws](http://www.viagold.ws). Material incidents reported under the Policy are to be reported to the Board.

#### Anti-bribery, Fraud and Corruption

Compliance with ViaGold's Anti-bribery, Fraud and Corruption Policy is fundamental to the Company's values, reputation and standing in the wider community. ViaGold has no tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for its business partners, customers and shareholders.

The Company prohibits bribery and corruption in all dealings in every country. ViaGold's Anti-bribery and Corruption Policy applies to all dealings whether they be with private organisations, individuals, domestic or foreign governments, or their representatives.

ViaGold believes its Anti-bribery, Fraud and Corruption Policy reinforces the Board, senior management and employees' commitment to refraining from corrupt and fraudulent conduct and to establishing policies, controls and procedures for prevention and detection of these activities.

A copy of the Anti-bribery, Fraud and Corruption Policy can be found at [www.viagold.ws](http://www.viagold.ws). The Board must be notified of any material breaches of this Policy.

#### Dealing in ViaGold Securities

ViaGold has a Share Trading Policy applicable to all Directors, employees and associates which prohibits a person from trading or dealing in the Company's securities if they are privy to insider information. Further, a Director or their associates, may only deal in the Company's securities when they do not have any inside information and during a trading window.

A copy of the Policy is available at [www.viagold.ws](http://www.viagold.ws).

#### Internal Audit

The Company does not have an internal audit function. Due to its size and current activities, the Board does not believe that an internal audit function is warranted at this time. The Board evaluates and monitors internal control processes in order to continually improve the effectiveness of its risk management practices and will continue to re-evaluate the Company's requirement for an internal audit function as the Company grows.

#### CEO and CFO Declaration

The Board received a declaration from both the CEO (Managing Director) and CFO, that, in their opinion, the financial records 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 Group, and that their opinion has been formed on the basis of a sound system of risk management and internal control (which systems were operating effectively). The declaration was provided before the Board approved the Company's financial statements for the 2021 financial period. The Board will continue to ensure such declarations are received in the future.

#### Verification of periodic reports

ViaGold releases half yearly and yearly financial statements and reports that are reviewed and/or audited respectively by an external auditor. For other periodic reports and ASX releases, the Company has embedded processes, including internal reviews by the Company's management team and Board review and approval, to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions.

## **8. Market Disclosure and Shareholder Communications**



ViaGold believes effective communication with its shareholders, potential shareholders and other market participants is of utmost importance for any listed company and is committed to promoting high standards of disclosure to ensure a fully informed market.

ViaGold has an established process, via its Board Charter, which promotes effective communication with shareholders and encourages effective participation at general meetings. Included in this is the requirement for the Company to provide information about itself and its governance to investors via its website.

The Board policies set out the procedures for:

- reporting material price sensitive information to the Company Secretary for review and release;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules (including dealings and discussions with analysts, professional bodies, the media and/or customers); and
- ensuring the Company and individual officers do not contravene the Corporations Act or the ASX Listing Rules (including restrictions on media interviews and/or investor presentations).

The Board considers issues of continuous disclosure at each of its meetings. The Board also regularly reviews such matters as:

- continuing education / professional development of the skills of its Directors;
- the rights of its officers to seek independent legal advice;
- directors and officers insurance;
- the setting and promulgation of ethical standards;
- auditing arrangements;
- identification and management of business risks;
- related party transactions; and
- compliance with the ASX Listing Rules.

Mr. King Choi (Peter) Leung and the local Australian agent, Mr. Chi Keung (Herman) Chow have primary responsibility for all communications with the ASX in relation to any ASX Listing Rules matters.

ViaGold has also provided shareholders with the opportunity to elect to receive communications from the Company electronically and can send communications to the Company and the share registry electronically.

#### Continuous Disclosure

ViaGold has continuous disclosure obligations arising from legislation and the ASX Listing Rules. To safeguard the effective dissemination of information and to ensure the Directors and employees are aware of their obligations, the Company has policies (as summarised above) setting out its procedures to ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules.

The Board approves all material announcements prior to lodgment with ASX and the Company Secretary, prior to or when announcing any material market announcements, provides copies of the announcements to the Board and keeps records of the announcements within the Company's records.

Any new investment and/or analyst presentations are lodged and released on ASX Markets Announcement Platform prior to any such presentation being made to any other party.

#### Investor relations

ViaGold has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of ViaGold's business, governance, financial performance and prospects.

The Company places a high priority on communications with shareholders and is aware of its obligations as a listed company, both under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities.

Information is communicated to/from shareholders as follows:

- through the ASX Market Announcements Platform;
- through notices of meetings of shareholders;
- by provision of documents that are released to the public on the Company's website; and
- by inviting shareholders to participate in all shareholders' meeting either in person, electronically or by their nominated representatives.

#### Website

Information about ViaGold and its governance policies and practices is also available on the Company's website at [www.viagold.ws](http://www.viagold.ws).

#### Electronic Communication

ViaGold gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. The Company has also provided shareholders with the email addresses of the members of the senior management team / company representatives / Company Secretary to facilitate communication to and from them.

Shareholders are also encouraged to update their communication preferences and elect to receive all communications electronically with the share registry at [www.computershare.com.au](http://www.computershare.com.au).

#### Annual General Meeting

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. ViaGold encourages shareholder participation at its AGM as an opportunity to allow the Board to listen and respond to shareholder feedback. Similar opportunities are also provided to shareholders at all other general meetings of the shareholders. As a general rule, availability of the key Directors and time zones permitting, all general meetings of shareholders are held at reasonable times for the shareholders (both in Australia and Macau / Hong Kong).

Further, with the impact of COVID-19 and the location of shareholders in multiple jurisdictions, the Company has changed its usual venue for general meetings to accommodate conferencing / webcasting of those general meetings (or providing non-local shareholders with other electronic forms of participation in general meetings).

The Company ensures that its external auditor attends all AGMs and is available to answer queries from shareholders relevant to the audit. All substantive resolutions are ordinarily decided by a poll (voting by a show of hands is utilised if it is self-evident (and beyond dispute) that the relevant resolution before the general meeting of shareholders will be approved.

### **9. Compliance with Recommendations**

ViaGold has complied fully with 30 of the 40 ASX Recommendations (relevant to the Company) during the period. Given the nature and scale of the Company, the Board believes its compliance with the ASX Recommendations to be appropriate at this time.

The Company did not comply with the following ASX Recommendations during the year:

- Recommendation 1.5(b) and (c): The Board continually assesses the need for developing specific and measurable objectives for gender diversity across the Company. However, at this time in the Company's development, the Board believes that it would not add value to the Company to have specific objectives for gender diversity. The Company currently engages the best person for each role and, given the nature of its business activities, it is focused more on expertise, experience and equality of opportunity than any particular gender or ethnic diversity objectives across its businesses. Further, as the Company is a foreign company and not subject to the Workplace Gender Equality Act (and is not included in the S&P / ASX 300 Index), it has not specifically addressed and therefore may not have complied with the requirements of that Act.
- Recommendations 1.6 and 1.7 – refer to Sections 3 and 5 above. The Board believes that its current policy of regular, but informal, reviews of its Board, Committees, individual Directors and members of its senior management team is more appropriate for its business at this time. As the business grows, this policy will be reviewed.
- Recommendation 2.1 – refer to Section 4 above. The Company does not currently comply with Recommendations 2.1(a)(1) and (5) in that its Nomination Committee currently comprises only two Directors. This has been appropriate in past years given the Company's size, its number of Directors and that certain Directors are resident in other regions of PRC and/or countries. It is the Company's intention to effectively merge the Remuneration and Nomination Committees to form one Committee with two functions. If, for any reason, that merger does not take place, the Board intends to appoint a further independent Director to this Committee. The non-reporting of the number of meetings of the Committee held during the year and the attendance at those meetings by the Committee members was an oversight. It will be remedied in the next Annual Report.
- Recommendation 2.4: - During the period, the Board was evenly split between Directors considered by the Board to be independent and those who were not independent. This is not consistent with the ASX Recommendations that a majority of the Board be independent directors. Within PRC, it is common for executive directors and persons directly involved in some way with a company to be appointed to the Board (and for a non-independent director to be the Chair) The even split represents an increase in the proportion of Directors considered by the Board to be independent and the Board intends to continue to assess its composition and will look to appoint further additional suitably qualified and experienced independent persons to the Board in the future.
- Recommendation 2.5: The Chair of the Company, Mr Changyuan Liao, is not an independent Director. The Company is incorporated in Bermuda and its operations are predominantly based in People's Republic of China (PRC). Within PRC, as above, it is common for executive directors and persons directly involved in the management of the relevant company to be appointed to both the Board and to be the Chair. Further, Mr Liao is the most appropriate person for the role given his diverse background and importantly, his knowledge of the major business activities of the Company within the rare-earth industry. Cognisant of the corporate governance issue that presents, it is important to note that the Chair is not the chief executive officer of the Company. That position is held by Ms Mulei Shi. It is not proposed that this will change (and, in particular, that the chief executive officer and chair roles would ever be held by the same person).
- Recommendations 4.1 and 7.1: While ViaGold has an Audit & Risk Committee chaired by an independent Director (who is not the Chair of the Board), the Committee currently comprises only two non-executive and independent Directors (instead of the required three). However, despite the reduced number, the current Committee is confident that it has the skills, capacity and capability to independently verify and safeguard the integrity of the Company's financial statements and reporting (including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner) and risk management. The Company intends to add one or more additional Directors to the Committee in the near future. The non-reporting of the number of meetings of the Audit & Risk Committee held during the year and the attendances at those meetings by the Committee members was an oversight. It will be remedied in the next Annual Report.
- Recommendation 6.4: While all future resolutions will ordinarily be decided by a poll, the Company did not comply with this ASX Recommendation in 2021 (or in previous years) as all resolutions approved at meetings of the members of the Company were approved by voting by a show of hands. This voting procedure was adopted because it was self-evident (from the proxies lodged and the persons present at the

meetings) that all resolutions would be approved by the shareholders. As such, it was administratively easier and more cost efficient for the Company to adopt that course. Given Recommendation 6.4, the Company will ordinarily decide the outcome of resolutions in the future by voting by a poll.

- Recommendation 8.1(a)(5): While the Company generally complied with Recommendation 8.1, it did not meet the requirements of sub-paragraph 8.1(a)(5). The non-reporting of the number of meetings of the Remuneration Committee held during the year and the attendances at those meetings by the Committee members was an oversight. It will be remedied in the next Annual Report.

**VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED**