

REGALPOINT RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Regalpoint Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Recommendations.

	RECOMMENDATION	COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	The Company complies with this Recommendation.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The board will monitor the performance of senior management, including measuring actual performance of senior management against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	The Company will explain any departures (if any) from Recommendations 1.1 and 1.2 in its future annual reports.
2.	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	<p>The Board has assessed the independence of the non-executive directors and the chairman using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1.</p> <p>The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of directors are not independent. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the</p>

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		performance of management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all directors being an independent judgement to bear on Board decisions.
2.2	The chairperson should be an independent director.	The Company's Chairman is The Honourable Shane Stone.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	The Company's Managing Director is Mr. Nicholas Burn.
2.4	The board should establish a nomination committee.	<p>The Board has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee is comprised of:</p> <ul style="list-style-type: none"> • Mr. Simon Trevisan (Chair); • Mr. Ian Murchison; and • The Honourable Shane Stone. <p>The Company is at variance with Recommendation 2.4, in that, the Nomination and Remuneration Committee does not consist of a majority of independent directors. The Board considers that this composition is appropriate given the current size of the Company.</p>
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	<p>The performance of the Board, its committees and individual directors will be evaluated in accordance with a performance evaluation process.</p> <p>When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.</p>
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Managing Director.

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3.	<i>Promote ethical and responsible decision-making</i>	
3.1	<p>Establish a code of conduct and disclose the code or a summary as to the code as to:</p> <p>(a) the practices necessary to maintain confidence in the company's integrity;</p> <p>(b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</p> <p>(c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	The Company complies with this Recommendation.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them	The Board will consider adopting a diversity policy after admission.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Company will disclose this information in its future annual reports.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company will disclose this information in its future annual reports.
3.5	Provide the information indicated in <i>Guide to</i>	If/when the Company adopts a diversity policy, it will be publicly available on the

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	<i>Reporting on Principle 3.</i>	Company's website.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	The Board has established an Audit and Risk Committee. The Audit Committee consists of three members being: <ul style="list-style-type: none"> • Mr. Ian Murchison (Chair); • Mr. Simon Trevisan; and • The Honourable Shane Stone.
4.2	Structure the audit committee so that it consists of: <p>(a) only non-executive directors;</p> <p>(b) a majority of independent directors;</p> <p>(c) an independent chairperson, who is not chairperson of the board; and</p> <p>(d) at least three members.</p>	The Company is at variance with Recommendation 4.2, in that, the Audit and Risk Committee does not consist of a majority of independent directors. The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Audit and Risk Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.
4.3	The audit committee should have a formal charter.	The Audit and Risk Committee Charter is publicly available on the Company's website.
4.4	Provide the information indicated in <i>Guide to Reporting on Principle 4.</i>	The following material will be included in the corporate governance statement in the Company's annual reports: <ul style="list-style-type: none"> • the names and qualifications of those appointed to the Audit and Risk Committee and their attendance at meetings of the committee; • the number of meetings of the Audit and Risk Committee; • explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. <p>The following material is publicly available on the Company's website:</p>

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		<ul style="list-style-type: none"> the Audit and Risk Committee Charter.
5.	<i>Make timely and balanced disclosure</i>	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	The Company complies with this Recommendation.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	The Company will explain any departures from Recommendation 5.1 in its future annual reports.
6.	<i>Respect the rights of shareholders</i>	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	<p>The Company complies with this Recommendation.</p> <p>The Company places a high priority on communication with Shareholders and is aware of the obligations it has under the Corporations Act and the 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.</p>
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	The Company will explain any departures from Recommendation 6.1 in its future annual reports.
7.	<i>Recognise and manage risk</i>	
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	The Company has established an Audit and Risk Committee which is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal controls.

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7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its business risks.	The Company's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.
7.3	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: (a) the statement given in accordance with Recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and (b) the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	The Board will seek this assurance from the individuals appointed to perform the role of Chief Executive Officer and Chief Financial Officer.
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company will explain any departures from Recommendations 7.1, 7.2 and 7.3 in its future annual reports.
8.	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	The Board has established a Nomination and Remuneration Committee.
8.2	Structure the remuneration committee so that it consists of:	The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies which reflect the matters set out in the commentary and guidance for Recommendation 8.1. Further details of the

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	<p>(a) a majority of independent directors;</p> <p>(b) an independent chairperson; and</p> <p>(c) at least three members.</p>	<p>Nomination and Remuneration Committee is set out at point 2.4.</p> <p>The Company is at variance with Recommendation 8.2, in that, the Audit and Risk Committee does not consist of a majority of independent directors. The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Audit and Risk Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.</p>
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	<p>The structure of non-executive directors' remuneration is clearly distinguished from that of executives. Total remuneration for all non-executive directors is not to exceed \$240,000 per annum.</p> <p>Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation.</p>
8.4	Provide the information indicated in <i>Guide to Reporting on Principle 9</i> .	<p>The following material will be included in the corporate governance statement in the Company's annual reports:</p> <ul style="list-style-type: none"> • the names of the members of the Nomination and Remuneration Committee and their attendance at meetings of the committee; • the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; • an explanation of any departures from Recommendations 8.1, 8.2, 8.3 or 8.4. <p>The Company's Nomination and Remuneration Committee Charter and the Company's Share Trading Policy are publicly available on the Company's website.</p>