

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

In determining what those standards should involve, Sundance Resources Limited (**Sundance**) has considered the 3rd Edition of ASX Corporate Governance Principles and Recommendations (**ASX Guidelines**).

In light of the size of its Board, Sundance advises that its corporate governance policies and procedures are, in the most part, consistent with those of the ASX Guidelines. Sundance reviews all its corporate governance practices and policies on an annual basis and compares its current practices and policies against the ASX Guidelines with a view to ensuring its corporate governance practices and policies are up to date and reflect Sundance's current state of development and future growth.

Due to the current size and nature of the existing Board, 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.

The principal corporate governance procedures of Sundance Resources Limited can be found at <http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181>

A summary of the ASX Guidelines Recommendations and the extent to which Sundance has followed these during the reporting period is set out below.

PRINCIPLE 1: LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 Role of the Board and Management

The Board's role is to represent the shareholders and is accountable to them for creating and delivering value through the effective governance of the business. This role requires a high-performing Board, with all Directors contributing to the Board's collective decision-making processes.

The Board exists to lead and oversee the management and direction of the Company. The Board operates in accordance with the broad principles set out in its Charter, a copy of which is on the Company's website. The Charter details the board's composition and functions.

The Board is responsible for:

OVERSEEING	GOVERNANCE	RISK AND REPORTING
Strategy – defining and setting the business objectives and monitoring performance and achievement of those objectives;	Corporate governance – reviewing and monitoring the Company's corporate governance policies and practices;	Financial performance – monitoring and approving financial performance and budgets;

OVERSEEING	GOVERNANCE	RISK AND REPORTING
<p>Chairman selection – appointing the Chairman of the Board;</p> <p>Leadership selection – as appropriate appointing or removing the Chief Executive Officer, evaluating the performance of the Chief Executive Officer, and approving other key executive appointments;</p> <p>Succession planning – planning for Board, CEO and executive succession;</p> <p>Remuneration framework – approving the Company’s remuneration framework, approving CEO and executive remuneration, and setting Non-Executive Director remuneration within shareholder approved limits.</p>	<p>Board performance and composition – evaluating the performance of the Board and determining its size and composition;</p> <p>Social responsibility – considering the social, ethical and environmental impact of activities and operations and monitoring compliance with the Company’s social responsibility policies.</p>	<p>Financial reporting – considering and approving half-yearly and annual financial statements, and monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;</p> <p>Risk management – oversight of the appropriateness of risk management framework and setting the risk appetite within which the Board expects management to operate; and</p> <p>External auditor – selecting and recommending to shareholders the appointment of the external auditor.</p>

Following a strategic review of the direction of the Company in January 2016 the Board re-evaluated the skills and number of Board members to fulfil its charter. From January 2016 the Board was reduced to 2 non-executive Directors plus the Managing Director.

Management are responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day to day running of the Company. Management are also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

Recommendation 1.2 Director Checks

The Company performs full checks on all potential Directors. These include checks on a person’s character, experience, education, criminal record and bankruptcy history. All Directors have provided consent for the Company to perform such checks.

Your Directors’ biographical details, including their relevant qualifications and experience and the skills they are bringing to the Board are detailed on the Company website and within the Annual Report. Details of any other material directorships currently held are also provided in the Annual Report.

Recommendation 1.3 Written Agreement with each Director and Senior Executive

All Non-Executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under service contracts. These address the roles and responsibilities of individuals.

Key terms of the employment agreements for the Key Management Personnel ('KMP') are set out in the Remuneration Report in the Annual Report.

Recommendation 1.4 Company Secretary

The Company Secretary, Mrs Carol Marinkovich, is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Recommendation 1.5 Diversity

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website. The Policy includes a requirement for the Board to establish measurable diversity objectives.

The Company wholeheartedly values diversity and will continue to incorporate diversity into the vision, values and practises. After serious consideration, no diversity objectives have been set for 2020 as the Company has reduced staff numbers substantially which is related to the development cycle the Company is in.

As the Company progresses to construction of the mine infrastructure the diversity objectives will be revisited and implemented.

Recommendation 1.6 Board Performance Assessment

During the 2019 financial year due to the size and operation of the Board, the Board did not undertake a formal process of assessment of individual Directors performance.

Recommendation 1.7 Performance Evaluation of Senior Executives

The importance of a clear relationship between Management performance and remuneration is reflected in the Company's approach to evaluating Management performance.

No short term or long-term incentives for the CEO and all KMP's for 2020 have been set.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 Nomination Committee

The Company did not have a Nomination Committee for the past financial year as the Board did not consider the company would benefit from its establishment. In accordance with the Company's Board charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter.

Recommendation 2.2 Board Skills Matrix

The Company has in place a process which incorporates the Board reviewing its Board Skills Matrix annually but due to the size of the Board this did not occur during the 2019 financial year.

Recommendation 2.3 Directors Independence

The recommendations of best practice are that a majority of the Directors and in particular the chairperson should be independent.

An Independent Director is considered to be one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder or debt provider of the Company;
- is not an employee and has not within the last 3 years been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold such employment;
- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another group member; or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of, or otherwise associated directly or indirectly with a significant supplier or customer; or
- has no material contractual relationship with the Company or any other group member other than as a director of the Company.

Of the current Board members one Director is currently considered independent. Mr David Porter (Chairman) is a major shareholder of the company and is not considered as independent. Mr Brett Fraser is a Non-Executive Director and is considered independent. Mr Giulio Casello would not be considered independent.

Directors' independence and the length of service of each Director is reported within the Annual Report and detailed within the Corporate Governance section of the Company website.

Recommendation 2.4 Majority of Directors Independent

The majority of the Board of the Company are not considered Independent Directors.

Recommendation 2.5 Chairman & Chief Executive Officer

The Company has at all times maintained a separation between the Chairman and Chief Executive Officer roles. The day-to-day management of the Company is overseen by the Managing Director and Chief Executive Officer, Mr Giulio Casello. The Chairman of the Board, Mr David Porter, is currently not an Independent Director due to his shareholding status in the Company.

Principle 2.6 Company Induction and Professional Development of Directors

The Company has an established program for the induction of new Directors. This induction covers all aspects of the Company's operations including the provision of information and meetings with relevant Senior Executives so as to ensure that new Directors are able to fulfil their responsibilities and contribute to Board decisions.

Existing Directors are encouraged to participate in appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a Director.

Independent Advice

The Directors and the Board may seek external professional advice, as considered necessary, at the Company's expense, with the consent of the Chairman and assistance of the Company Secretary. If appropriate, any advice so received will be made available to all Directors.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 Code of Conduct

The Company has established a number of key policies, including a formalised Code of Conduct and Anti-Corruption Policy, copies of which are available on the Company's website.

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

All Directors, executives, staff and contractors of the Company and of all controlled entities are required to abide by the legal requirements and high standards of ethical conduct as recognised in each relevant jurisdiction in which the Group operates.

To ensure high standards of personal integrity are upheld, the Company has a Whistleblower Policy to assist in the identification of the reporting of unlawful or unethical behaviour.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 Audit & Risk Management Committee

The Company did not have a Audit & Risk Committee for the past financial year as the Board did not consider the company would benefit from its establishment. In accordance with the Company's Board charter, the Board carries out the duties that would ordinarily be carried out by the Audit & Risk Committee under the Audit & Risk Committee Charter.

Each Board member has access to the external auditors and the auditor has access to each Board member and members of management.

Recommendation 4.2 Declarations from the CEO and CFO

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects.

For the year ended 30 June 2019 the declaration was made by the Chief Executive Officer as there was no Chief Financial Officer at 30 June 2019.

Recommendation 4.3 External Auditors

The external auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 Disclosure Policy

The Company has a Continuous Disclosure Policy, a copy of which is on the Company's website.

This Policy includes written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. All directors, executives, staff and contractors are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange ('ASX') and high standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the Listing Rules.

The Chief Executive Officer and Company Secretary have been nominated as the persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

PRINCIPLE 6: RESPECTING THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 Information on Website

The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

All relevant Corporate Governance Policies are listed on this Corporate Governance landing page on the website.

The Company website also includes copies of its annual reports and financial statements; copies of its ASX announcements; copies of Notices of Meetings, as well as an overview of the Company's business activities in appropriate areas of the website.

Recommendation 6.2 Investor Relations Program

The Company has an established Shareholder Communications Policy, a copy of which is on the Company's website.

The Board's policy is to seek to inform shareholders of all major developments affecting the Company by allowing investors and other financial market participants to gain a greater understanding of the entity's business, governance, financial performance and prospects.

Recommendation 6.3 Participation at Meetings of Shareholders

The Company has policies and procedures that enable shareholders to receive the reports and participate in shareholder meetings by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed for voting at the Annual General Meeting. Shareholders who have made an election receive a copy of the Company's Annual Report by mail; otherwise, the Annual Report is available on the Company's website. Direct voting facilities to allow security holders to vote ahead of the meeting without having to attend or appoint a proxy have been implemented by the Company.

Recommendation 6.4 Electronic Communication

The Company has the capability to communicate with shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Company's website.

PRINCIPLE 7: RECOGNISING AND MANAGE RISK

Recommendation 7.1 Risk Committee

The Company did not have a Audit & Risk Committee for the past financial year as the Board did not consider the company would benefit from its establishment. In accordance with the Company's Board charter, the Board carries out the duties that would ordinarily be carried out by the Audit & Risk Committee under the Audit & Risk Committee Charter.

The Chief Executive Officer is accountable to the Board for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

The Board has adopted a formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Policy is available on the Company's website.

Recommendation 7.2 Annual Risk Review

The Risk Management Policy requires Management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company.

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects. For the year ended 30 June 2019 the declaration was made by the Chief Executive Officer as there was no Chief Financial Officer at 30 June 2019.

Recommendation 7.3 Internal Audit

The Company does not have a formal internal audit function. The Board monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

Recommendation 7.4 Sustainability Risks

The Company reports biannually via its subsidiary Cam Iron to the Cameroonian Ministry of Environment. Any non-compliances are reported in the Annual Report. There were no non-compliances in the 2018/19 financial year.

The Board is regularly briefed and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company.

The Directors' Report in the 2019 Annual Report contains a summary of the material business risks faced by the Company.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 Remuneration Committee

The Company did not have a Remuneration Committee for the past financial year as the Board did not consider the company would benefit from its establishment. In accordance with the Company's Board charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter.

Recommendation 8.2 Disclosure of Remuneration Policies and Practices

A copy of the Remuneration Policy is available on the Company's website. The Company's Remuneration Policy clearly distinguishes the structure of executive and non-executive remuneration, and contains a prohibition on Directors and employees entering into hedging arrangements to mitigate the risk of changes in value of unvested performance rights or options by the use of financial instruments. Any such arrangements entered into in relation to vested entitlements are required to be reported to the Board and must only occur within the trading periods allowed under the Securities Trading Policy.

The Remuneration Report contained in the Annual Report outlines the Director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors.

Recommendation 8.3 Policy on Equity Based Remuneration Scheme

The Company has a Performance Rights Plan, which has been approved by Shareholders on 29 November 2017, a copy of which is located on the Corporate Governance landing page of the website.

The Sundance Securities Trading Policy specifically prohibits Directors, officers and employees from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes. A copy of the Securities Trading Policy can be found on the Corporate Governance page of the Company website.