

Corporate Governance Statement

This Corporate Governance Statement is current as at 28 March 2022 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations 4th Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons for not following them provided, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

The Company has adopted Corporate Governance Policies which provide written terms of reference for the Company's corporate governance practices. The Company's Corporate Governance Policies are contained within the Corporate Governance Plan and copies of the policies are available on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

A listed entity should disclose:

- *the respective roles and responsibilities of its Board and management; and*
- *those matters expressly reserved to the Board and those delegated to management.*

Disclosure:

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The Board delegates responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer and the Executive Director.

The role of management is to support the Chief Executive Officer and the Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Appointment, and where necessary, the replacement, of the Chief Executive Officer and the Executive Director, and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Approving the Company's remuneration framework;
- Monitoring the timeliness and effectiveness of reporting to Shareholders;

- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with guidelines including:
 - Statement of Values;
 - Corporate Code of Conduct;
 - Continuous Disclosure Policy;
 - Diversity Policy;
 - Performance Evaluation;
 - Risk Management;
 - Trading Policy;
 - Social Media Policy;
 - Whistle-blower Policy;
 - Anti-Bribery and Corruption Policy; and
 - Shareholder Communication Strategy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Chief Executive Officer and the Executive Director responsibility for the management and operation of the Company. The Chief Executive Officer and the Executive Director are responsible for the day-to-day operations, financial performance, and administration of the Company within the powers authorised to them from time-to-time by the Board. The Chief Executive Officer and the Executive Director may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter, a copy of which can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Board Committees

At the date of this document, the Board considers that the Company is best served with each director being part of the Nomination and Remuneration Committee, whilst various Board members form the Audit and Risk Committee. Further details of each committee are discussed below.

Recommendation 1.2

A listed entity should:

- a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

Disclosure:

The Board has adopted a Remuneration and Nomination Committee Charter with the Board as a whole acting as the Committee and being responsible for undertaking comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

A copy of the Remuneration and Nomination Committee Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>

Recommendation 1.3

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

Disclosure:

The terms of the appointment of non-executive directors, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Recommendation 1.5

A listed entity should:

- a) *have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- b) *disclose that policy or a summary of it; and*
- c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*
 - i. *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 - ii. *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 that Act.*

Disclosure:

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity, and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature, and stage of development of the Company, setting measurable objectives for the Diversity Policy now is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- Women employees in the Company in a full time position 50%
- Women in senior management positions 50%
- Women on the Board 60%

The Company has a policy of appointing the most suitably qualified person to each position in the Company. Where there is a vacancy in the Company, the most suitable party will be employed.

The Company's Diversity Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 1.6

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.*

Disclosure:

On an annual basis, the Board conducts an informal review of its structure, composition, and performance.

The annual review includes consideration of the following measures:

- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the nature and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Non-Executive Directors are responsible for conducting an annual performance appraisal of the Chairman. These reviews will be carried out in accordance with the Company's Performance Evaluation Policy which can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

During the reporting period the Company did not undertake a formal performance review of the Board as the Company recently listed on the ASX.

Recommendation 1.7

A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of its senior executives;*
and

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

Disclosure:

The Board conducts an annual performance assessment of the Executives against agreed key performance indicators.

The Executives conduct an annual performance assessment of senior executives against agreed key performance indicators.

During the year, an informal appraisal of all senior executives has been conducted.

Principle 2: Structure the board to add value

Recommendation 2.1

The board of a listed entity should:

- a) *have a nomination committee which:*

1) *has at least three members, a majority of whom are independent directors; and*

2) *is chaired by an independent director, and disclose:*

i. *the charter of the committee;*

ii. *the members of the committee; and*

iii. *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.*

Disclosure:

During the year, the Company adopted a Remuneration and Nomination Committee Charter. The Board as a whole have carried out the role of the Committee given the size of the Company. The Committee has a charter setting out the criteria and responsibilities for the selection of new Directors.

The number of times the committee met is outlined in the Annual Report.

Copies of the Remuneration and Nomination Committee Charter and Annual Report can be found on the corporate governance page on the Company's website at

<https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

The Board considers that a diverse range of skills, backgrounds, knowledge, and experience is required to effectively govern the Company. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

Given the current size and stage of development of the Company, the Board has not yet established a formal Board Skills Matrix.

The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director's relevant skills and experience are available in the Director's Report.

A copy of the Board Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

The Director's Report is contained within the Annual Report.

Recommendation 2.3

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 below, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion should be disclosed; and*
- c) *the length of service of each director.*

Disclosure:

At the date of this report the Board was comprised of the following members:

Name	Status	Appointed	Independent
Rhett Bennett	Executive Chairman	26 July 2021	No
Samantha Richardson	Executive Director	26 July 2021	No
Marie Malaxos	Non-Executive Director	26 July 2021	Yes
Peter Cramer	Non-Executive Director	26 July 2021	Yes
Sara Kelly	Non-Executive Director	20 September 2021	Yes
Ashley Zumwalt-Forbes	Alternate Director to Rhett Bennett	7 February 2022	No

The Company has adopted a definition of 'independence' for Directors that is consistent with the ASX Recommendations.

A copy of the Board Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

The Board comprises a majority of non-executive directors, all of whom are considered independent.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and should not be the same person as the CEO of the entity.

Disclosure:

The Executive Chair and Chief Executive Officer of the Company is Mr Rhett Bennett who is not deemed as independent.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

Recommendation 3.1

A listed entity should articulate and disclose its values.

Disclosure:

The Company expects Directors, Officers and Employees to practice honesty and integrity, observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities.

The Board has approved a Statement of Values and charges the Directors with the responsibility of inculcating those values across the Company.

Further details of the Company's values are set out in the Statement of Values which can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 3.2

A listed entity should:

- a) have a code of conduct for its directors, senior executives, and employees; and*
- b) disclose that code or a summary of it.*

Disclosure:

The Company has a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients, and stakeholders.

All employees and Directors are expected to:

- behave honestly and with integrity and report other employees who are behaving dishonestly;
- carry out their work with integrity and to a high standard and commit to the Company's policy of producing quality goods and services;
- operate within the law at all times;

- act in the best interests of the Company;
- follow the policies of the Company; and
- act in an appropriate business-like manner when representing the Company in public forums.

An employee that breaches the Code of Conduct may face disciplinary action including, in the case of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

The Company's Code of Conduct can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 3.3

A listed entity should:

- a) *have and disclose a whistle-blower policy; and*
- b) *ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.*

Disclosure:

The Company has adopted a Whistle-blower Policy which aims to encourage reporting of violations (or suspected violations) of the Company's Code of Conduct, or material legal or regulatory obligations, and to provide effective protection from victimisation, retaliation, or dismissal to those reporting by implementing systems for confidentiality, anonymity, and report handling.

Everyone working for the Company receives training on the Whistle-blower Policy and are expected to understand and comply with it. Complaints made under the Whistle-blower Policy which are regarded as serious and warrant investigation are investigated as set out in the Policy. The Board is informed of material breaches or incidents reported under the Whistle-blower Policy and the Board periodically reviews and makes changes to the Policy.

A copy of the Whistle-blower Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance/>.

Recommendation 3.4

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.*

Disclosure:

The Company has an Anti-Bribery & Anti-Corruption Policy that applies to its employees, Directors, contractors, consultants, third parties and other persons associated with the Company's business operations.

All Company policies are aimed at conducting business that is fair, honest, and transparent, with integrity and in compliance with the law in all jurisdictions in which it operates. Acknowledging the potential for reputational damage if the Company is, or is alleged to be, involved in bribery or corruption, the Policy:

- addresses what may be deemed as forms of bribery and corruption;

- encourages a robust culture of integrity, transparency, and compliance, which is critical to long term success and value preservation in the business;
- aims to safeguard and make transparent relationships with external parties in the context of receiving and giving hospitality, gifts, and other financial benefits for legitimate purposes consistent with normal business practice; and
- prohibits bribes and improper payments, and places appropriate controls on gifts and donations.

Employees are trained in the policy and are responsible for reporting actual or suspected breaches of the Policy. All safeguards in terms of confidentiality, anonymity, ongoing support, and protection in that Policy will apply in these circumstances. Any material breaches of the Anti-Bribery & Anti-Corruption Policy are reported to the Board. The Board periodically reviews and makes changes to the Policy.

A copy of the Anti-Bribery and Corruption Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

The Board of a listed entity should:

a) have an audit committee which:

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

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

i. the charter of the committee;

ii. the relevant qualifications and experience of the members of the committee; and

iii. 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.

Disclosure:

The Board has established an Audit and Risk Committee that is structured in accordance with Recommendation 4.1 where possible.

During the year, Ms Sara Kelly, Ms Marie Malaxos and Mr Peter Cramer were members of the Audit and Risk Committee with Ms Kelly as Chair of the Committee.

The Company has adopted an Audit and Risk Committee Charter which sets out the responsibilities and role of the Committee and how it reports to the Board.

Details of each of the Director's qualifications are set out in the Directors' Report. Each of the members has formal qualifications or have industry knowledge and experience and consider themselves to be financially literate. Further, the Company's Audit and Risk Committee Charter provides that the Board meet with the external auditor without management present, as required.

The Company has established procedures for the selection, appointment, and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit and Risk Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period.

The external auditors attend the Company's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

The number of times the Audit and Risk Committee met during the year is outlined in the Annual Report.

A copy of the Audit and Risk Committee Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 4.2

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.

Disclosure:

The Board, before it approves the entity's financial statements for a financial period, receives from its Chief Executive Officer and CFO a declaration provided in accordance with Section 295A of the Corporations Act 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.

Recommendation 4.3

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.

Disclosure:

The Audit and Risk Committee reviews and makes recommendations to the Board for the approval of all financial reports.

Where a report does not require an audit or review by an external auditor, the report is prepared by the CFO and then reviewed by the Executive Director and Executive Chairman. Once the Executive Director has reviewed and is happy with the report content, it is circulated internally to any appropriate member before being circulated to the full board for comment and approval prior to lodging with the ASX.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

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

Disclosure:

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Executive Directors are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board, and the Company Secretary are responsible for ensuring that:

- a) company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- b) company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

A copy of the Continuous Disclosure Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 5.2

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

Disclosure:

Any announcement is first prepared by the appropriate department of the Company and forwarded to the Executive Directors for review. If needed, the Company Secretary will also review the announcement before it is then sent to the full board for comment and approval prior to lodging with the ASX.

Recommendation 5.3

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

Disclosure:

The Company lodges all presentations with the ASX prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

Principle 6: Respect the rights of security holders

Recommendation 6.1

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

Disclosure:

The Company keeps investors informed through its website which contains information on the Company, the Board and the corporate governance policies and procedures of the Company. Through its website, investors can access copies of the Company's annual, half-yearly and quarterly reports.

The Company has adopted a Shareholder Communications Policy for promoting effective communication with shareholders.

The Shareholder Communications Policy encourages shareholder participation and engagement with the Company. This policy also facilitates communication directly between shareholders and the Company, with any shareholder queries coordinated through the Company Secretary.

A copy of the Shareholder Communications Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Disclosure:

The Company recognises the value of providing current and relevant information to its shareholders. The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders. To facilitate the effective exercise of those rights, the Company is committed to:

- communicating effectively with shareholders through releases to the market via the ASX, the Company's website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 6.3

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

Disclosure:

The Shareholder Communications Policy encourages all shareholders to attend meetings of members and allows time for shareholder questions at these meetings. The time and place of each general meeting is decided with Shareholder preferences in mind, to encourage maximum attendance by Shareholders.

A copy of the Shareholder Communications Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 6.4

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

Disclosure:

Decisions on all substantive resolutions at general meetings of the Company are decided by a poll to ensure the true will of Shareholders is ascertained (rather than by a show of hands, which is inconsistent with the "one security one vote" principle in the ASX Listing Rules).

Recommendation 6.5

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

Disclosure:

Shareholders may elect to, and are encouraged to, receive communications from the Company and the Company's securities registry electronically. These contact details are available on the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7: Recognise and manage risk

Recommendation 7.1

The Board of a listed entity should:

a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

i. the charter of the committee;

ii. the members of the committee; and

iii. 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 processes it employs for overseeing the entity's risk management framework.

Disclosure:

The Board is committed to the identification, assessment, and management of risk throughout the Company's business activities.

To this extent, the Company has adopted a Risk Management Policy and has established an Audit and Risk Committee.

During the year, Ms Sara Kelly, Ms Marie Malaxos and Mr Peter Cramer were members of the Audit and Risk Committee with Ms Kelly as Chair of the Committee. A majority of the Committee members are considered independent.

Copies of the Risk Management Policy and Audit and Risk Committee Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Details of the meeting of the Committee are set out in the Annual Report.

A copy of the Company's Annual Report can be found on the Company's website.

Recommendation 7.2

The Board or a committee of the Board should:

- a) *Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity 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.*

Disclosure:

The Company's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving the Company's strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

The Company believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, the Company is committed to the ongoing development of a strategic and consistent enterprise-wide risk management program, underpinned by a risk conscious culture.

The Company accepts that risk is a part of doing business. Therefore, the Company's Risk Management Policy is not designed to promote risk avoidance. Rather the Company's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring the Company does not enter into unnecessary risks or enter risks unknowingly.

The Company assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considers all the mitigation practices and controls. Depending on the materiality of the risks, the Company applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage the Company's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium, or long term. The Company has in place policies and procedures, including a risk management framework which is developed and updated to help manage these risks. The Board considers that the Company



currently has any significant material exposure to environmental and social/cultural sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of the Company's management of its material business risks on an informal basis at regular Board meetings. The Company has an annual review

A copy of the Risk Management Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 7.3

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 risk management and internal control processes.*

Disclosure:

The Company does not have an internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all the benefits of an independent internal audit function in relation to the management of material business risks which are reviewed and amended by the Audit and Risk Committee as needed, the expense of an independent internal auditor is not considered to be appropriate.

Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Executive Directors having ultimate responsibility to the Board for the risk management and internal compliance and control framework. The Company has established policies for the oversight and management of material business risks which are reviewed and amended by the Audit and Risk Committee as needed.

The Board reviews the requirement for an internal audit function on an annual basis. The Committee and the Board may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.

Recommendation 7.4

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

Disclosure:

The Company is an oil and gas exploration company and as such has exposure to risks outlined below.

The Board has identified a range of specific risks that have the potential to have an adverse impact on the Company's business. These include:

- i. environmental risks;
 - The Company operates drilling and exploration activities which have the potential to cause environmental issues. The Company takes all appropriate steps to ensure contractors, exploration techniques and technology used is fit for purpose, has appropriate levels of safety and environmental plans in place.
- ii. social risks;
 - The Company operates in regions containing a number of socially disadvantaged groups, and takes steps to ensure it acts as a responsible corporate citizen.
- iii. cultural risks;
 - The Company's exploration activities are carried out on permits containing significant cultural elements, and the Company takes steps to engage with traditional landowners to minimise the impact on cultural matters.

As part of its risk management strategy, the Company also maintains various business company and liability policies amongst its insurances.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Board of a listed entity should:

a) have a remuneration committee which:

- 1) has at least three members, a majority of whom are independent directors; and*
- 2) is chaired by an independent director,*

and disclose:

- i. the charter of the committee;*
- ii. the members of the committee; and*
- iii. 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.

Disclosure:

The Company has a remuneration charter. During the year, the full board acted as the Remuneration and Nomination Committee. A majority of directors are considered independent.

Details of the meeting of the Committee are set out in the Annual Report.

Copies of the Annual Report and Remuneration and Nomination Committee Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The Company has adopted a Remuneration and Nomination Committee Charter which was designed to recognise the competitive environment within which the Company operates and to emphasise the requirement to attract and retain high calibre talent to achieve sustained improvement in the Company's performance. The overriding objective of the Remuneration and Nomination Committee Charter is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance, and the performance of the Company.

The key principles are to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity-based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Executives, Non-Executive Directors and senior management based on an annual review following recommendations from the Remuneration and Nomination Committee.

A copy of the Remuneration and Nomination Committee Charter can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.

The Company's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

The Remuneration Report is contained in the Company's Annual Report which can be found on the Company's website.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances, options.

Executive directors and other senior executives are remunerated using combinations of fixed and performance-based remuneration. Fees and salaries are set at levels reflecting market rates and performance-based remuneration is linked directly to specific performance targets that are aligned to short and long-term objectives.

Recommendation 8.3

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

- a) have a policy on whether participants are permitted to enter transactions (whether using derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- b) disclose that policy or a summary of it.*

Disclosure:

The Company prohibits Directors and employees from entering any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

Securities Trading Policy

The Company has also established a policy concerning trading in the Company's securities by Directors, senior executives, and employees.

The policy includes blackout periods where no trading in Company securities shall take place between:

- 1) up to and including two (2) weeks prior to, and 24 hours after the announcement of the annual results;
- 1) up to and including two (2) weeks prior to, and 24 hours after the announcement of the half year results;
- 2) up to and including two (2) weeks prior to, and 24 hours after the announcement of the quarterly reports;
- 3) (iv) the 21 calendar days up to and including the date of the Annual General Meeting; and
- 4) any other period determined by the Chair in consultation with the Company Secretary to be a Black-out Period from time to time.

If Directors including the Executive Directors wish to trade securities outside the blackout period, they must obtain approval from the Chairman and Company Secretary. Employees must obtain the approval of the Chairman and the Company Secretary.

All related party share dealings involving the purchase of new shares or equity is subject to shareholder approval prior to the shares being issued.

A copy of the Trading Policy can be found on the corporate governance page on the Company's website at <https://www.blackmountainenergy.com/site/about-us/corporate-governance>.