

CASCADE RESOURCES LIMITED

ACN 128 744 178

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's **Corporate Governance Principles and Best Practice Recommendations (Best Practice Recommendations)**. The Best Practice Recommendations are not mandatory. However, the Company is required to provide a statement disclosing the extent to which the Company has followed the Recommendations.

BEST PRACTICE RECOMMENDATION		COMMENT
1	<i>Lay solid foundations for management and oversight</i>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Board Charter also specifically outlines the role of the Company's Directors. Each function and its responsibility are outlined in the Board Charter and this Corporate Governance Statement and are available on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	<p>The Board will monitor the performance of senior management, including measuring actual performance against planned performance.</p> <p>The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.</p>

1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	<p>This Corporate Governance Statement is available on the Company's website and contains a summary of the Board Charter. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Board Charter also specifically outlines the role of the Company's Chairman, Individual Directors and Managing Director.</p> <p>No evaluation of senior executives has yet taken place noting that the company is still in the process of listing on the ASX and many senior executives are still in the process of being recruited. However a full evaluation will be carried out in future years.</p>
2	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	<p>Three of the five members of the current board (Mr Gilmour, Mr Hansen and Mr Richardson) are considered to be independent directors and the remaining director's, Mr Sullivan and Mr Sparke, are both executive directors of the Company.</p> <p>A majority of the board is comprised of independent directors (as above) and three of the five members of the current board are non-executive Directors.</p> <p>The Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.</p> <p>It is intended that, as considered appropriate, further non-executive Director appointments to the Board will be made in the future as and when required.</p>
2.2	The chair should be an independent director.	The Chairman of the Board is Mr Warren Gilmour who is

		considered to be an independent non-executive director.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company does not currently have a Chief Executive Officer however, the Company has a separate Chairman and a Managing Director who is responsible for the day to day operations and administration of the Company.
2.4	The board should establish a nomination committee.	The Board, as a whole, currently serves as the Company's nomination committee. Terms and conditions of employees are negotiated by the Managing Director for recommendation to the Board. As the Company grows in size it is planned that the Company will implement a separate nomination committee with its own separate nomination committee charter.
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 and the various Board committees as and when established is to be evaluated by the Chairperson. The performance of each committee is measured against the scope and responsibilities detailed in their respective charters and the process for evaluating the performance of the Board, its committees and individual directors is to be disclosed by the Chairman.</p> <p>An evaluation of the Board has not yet occurred given the Company is still seeking a listing on the ASX and is still recruiting various board members.</p> <p>The Board is responsible for the evaluation and review of the performance of the Chairman and the effectiveness and programme of board meetings. The position of Chairman will be reviewed by the Board at the first Board meeting following the Annual General Meeting each year.</p> <p>No evaluation of the Chairman and the effectiveness of board meetings have yet taken place but will be done in future years. The programme of board meetings has been reviewed and modified to ensure timely information is reviewed by the board.</p> <p>The Company's Corporate Governance Policies set out the</p>

		<p>process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.</p>
2.6	<p>Companies should provide the information indicated in the <i>Guide to reporting on Principle 2</i>.</p>	<p>A description of the skills and experience of each of the directors is contained in the Company's Prospectus. Three of the five members of the current board (Mr Gilmour, Mr Hansen and Mr Richardson) are considered to be independent directors in accordance with the definition of an independent director as contained in the Company's Board Charter. The Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.</p> <p>The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson.</p> <p>The Board, as a whole, will serve as the Company's nomination committee.</p> <p>The Board will determine the procedure for the selection and appointment of new directors and the re-election of incumbents in accordance with the Company's constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The policy for the appointment of new directors is set out in the Company's Board Charter, a summary of which is contained within this Corporate Governance Statement.</p>
3	<p><i>Promote ethical and responsible decision-making</i></p>	

3.1	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>The Company's Corporate Governance Plan includes the following policies and charters which provide a framework for decisions and actions in relation to ethical conduct in employment.</p> <ul style="list-style-type: none"> • Board Charter • Audit & Risk Management Committee Charter • Code of Conduct - Obligations to Stakeholders • Code of Conduct - Directors and Key Officers • Continuous Disclosure • Health, Safety, Environment and Community Committee Charter • Remuneration Committee Charter • Securities Trading • Diversity <p>A summary of the Company's Corporate Governance Policies are contained within this Corporate Governance Statement which is available on the Company's website.</p>
3.2	<p>Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.</p>	<p>The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.</p> <p>The policy is titled "<i>Corporate governance policy - Securities Trading</i> – Directors and Senior Executives and will be lodged separately with the ASX.</p>
3.3	<p>Companies should provide the information indicated in the <i>Guide to</i></p>	<p>The corporate code of conduct and the trading policy of the Company are set out in the Company's Corporate Governance</p>

	<i>reporting on Principle 3.</i>	Policies and a summary which is contained within the Company's Prospectus.
3.4	Proportion of women employees, senior executive positions and on the Board	The Company currently only has two employees who are both male. The Company does not have any women on the Board at present but this will be reviewed in accordance with the next review of the Board's skills and requirements in accordance with the Company's diversity policy.
4	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	The Company has established an Audit and Risk Management Committee and a copy of the policy titled " <i>Charter of the Audit and Risk Management Committee</i> " is summarised in the Company's Prospectus and like all of the Company's policies is available from the Company on request.
4.2	<p>The audit committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	The Audit and Risk Management Committee currently has three members who are independent non-executive directors. The committee is chaired by Mr Gilmore. Mr Hansen and Mr Richardson are the other members of the Committee and are considered independent.
4.3	The audit committee should have a formal charter.	The Company's Corporate Governance Plan includes a formal charter for the Audit and Risk Management Committee.
4.4	Companies should provide the information indicated in the <i>Guide to reporting on Principle 4.</i>	The Committee will meet twice a year and at least once each year with the Company's Auditors. The Committee has powers under the Company's Audit & Risk Management Charter including unrestricted access to the Company's internal and external auditors and all Company records for the purposes of carrying out its responsibilities under the Charter. The Committee will recommend to the Board procedures for the

		selection and appointment of external auditors and for the rotation of external auditor partners.
5	<i>Make timely and balanced disclosure</i>	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program/policy in place designed to ensure compliance with the ASX Listing Rule on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	The continuous disclosure policy of the Company is summarised in the Company's Prospectus and like all of the Company's policies is available from the Company on request.
6	<i>Respect the rights of shareholders</i>	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Plan includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. This is contained within the Company's policies titled " <i>Code of Conduct – Obligations to Stakeholders</i> " and " <i>Corporate Governance Policy – Continuous Disclosure</i> ".
6.2	Companies should provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The shareholder communication policy of the Company is set out in the Company's policies titled " <i>Code of Conduct – Obligations to Stakeholders</i> " and " <i>Corporate Governance Policy – Continuous Disclosure</i> " which are summarised in the Company's Prospectus and like all of the Company's policies are available from the Company on request.
7	<i>Recognise and manage risk</i>	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board in conjunction with the Audit and Risk Management Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management

		<p>strategy and policies, internal compliance and internal control.</p> <p>The Company has established policies for the oversight and management of material business risks. The Audit and Risk Management Charter of the Company is set out in the Company's Prospectus.</p>
7.2	<p>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 material business risks.</p>	<p>The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board in conjunction with the Audit and Risk Committee. The Board and Audit and Risk Management Committee are required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risks is integrated within business planning and management activities.</p> <p>Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee at the first Board meeting subsequent to each Committee meeting.</p>
7.3	<p>The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>	<p>Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee.</p> <p>The Board will seek the relevant assurance from the management and the executive directors (or their equivalents) at the relevant time.</p>
7.4	<p>Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i>.</p>	<p>Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee.</p> <p>The Board will ensure that the report under Recommendation 7.2 is provided at the relevant time.</p> <p>The Board will ensure that the management or the executive director(s) provide the assurance under Recommendation 7.3 at the relevant time.</p>

8	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	The Board has established a separate Remuneration Committee.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	<p>The Committee distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company's Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting.</p> <p>The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).</p>
8.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	<p>The Remuneration Committee will meet twice a year. A copy of the Remuneration Committee Charter is summarised in the Company's Prospectus. The members of the Remuneration Committee are currently Mr Gilmour (Chair), Mr Hansen and Mr Richardson.</p> <p>A summary of the Company's policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration scheme is contained within the Remuneration Committee Charter.</p>