

Rockfire Resources PLC

Financial Position and Prospects Procedures

2021

ROCKFIRE

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ROCKFIRE

TABLE OF DEFINITIONS

AIM	A sub-market of the London Stock Exchange
Auditors	PKF Littlejohn LLP
Board of Directors	The Directors of the Company - Appendix "A"
Company or Rockfire	Rockfire Resources plc
Nominated Advisor	Allenby Capital Limited
FPP	Financial Position and Prospects
FPPP	Financial Position and Prospects Procedures
Group	Rockfire and its subsidiaries
Financial Reporting Framework	Applicable law and International Financial Reporting Standards (IFRS)
UK Accountants	One Advisory Group
Australia Accountants	WSC Group
Senior Management	The Directors, Senior Managers and Company Secretary of the Company
QCA Corporate Governance Code	The Corporate Governance Code issued by the QCA in April 2018

1 INTRODUCTION

1.1 Purpose

- (a) This memorandum is to demonstrate that adequate and proper procedures have been established, which provide a reasonable basis for the Directors to make informed judgements as to the FPP of the Company and the Group.
- (b) This memorandum is the sole responsibility of the Directors. It provides the basis for the Directors to establish procedures that enable them to be informed on a regular basis as to:
 - the financial position of the Group, including assets and liabilities, profits and losses;
 - projected profitability, cash flows and funding requirements;
 - the financial procedures in place for all Group companies; and
 - the controls in place for all Group companies.

1.2 Overview

1.2.1 Rockfire Resources plc

The Company outsources its legal and company secretarial services to Thursfields Solicitors and Graeme Hogan respectively and as a result, receives appropriately competent service. Rockfire's advisors ensure the Company and its Directors are kept up-to-date with changes in legislation and other regulations and help to ensure compliance by the Company with existing legislation and regulations. Compliance with policies is the responsibility of each individual, including Directors and employees. The appointment of highly-regarded advisers ensure the Company is well-placed to meet all aspects of anticipated increased activity and associated market scrutiny.

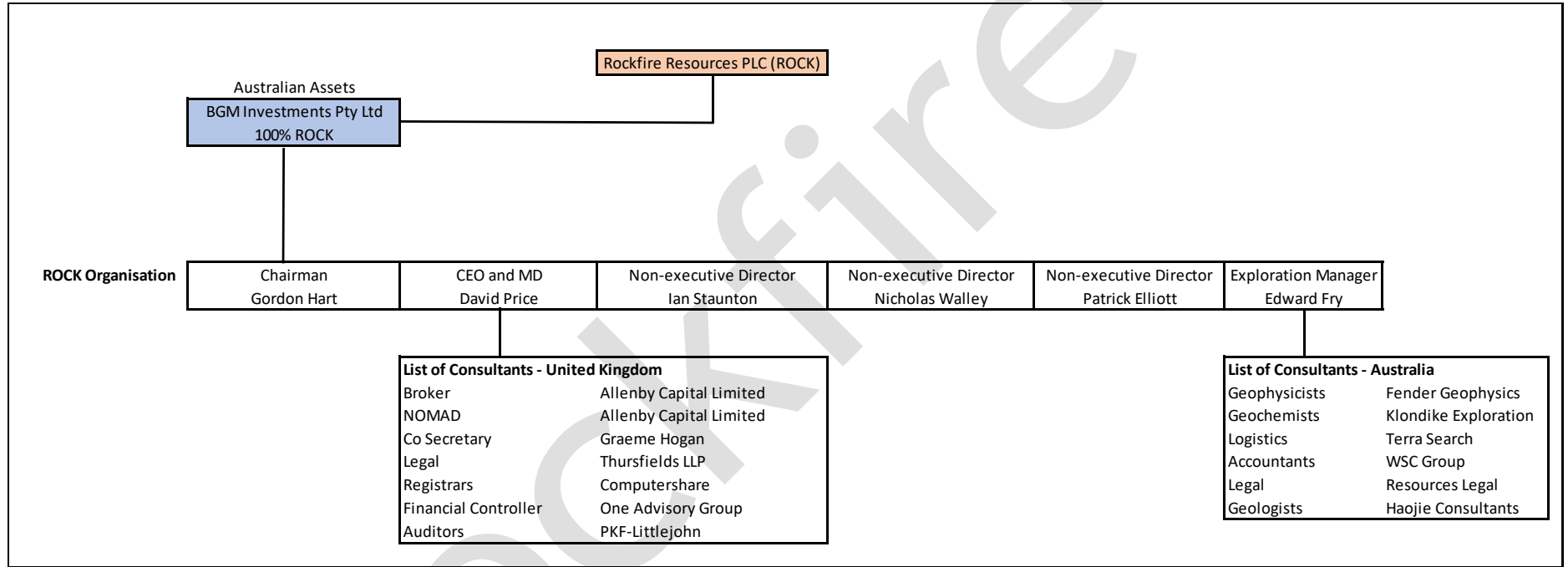
The Directors themselves are each respected, appropriately qualified and highly experienced. Refer **Appendix "A"**.

1.2.2 Principal activity

1.2.3 Rockfire is registered in England and Wales and its shares are publicly traded on AIM. The Company is a gold and base metal exploration company with projects in Northern Queensland, Australia.

1.2.4 Corporate Structure

1.3 The structure of the Group is as follows:



1.4 Scope Overlaps with “Purpose” section

- (a) This memorandum sets out the procedures implemented in order to:
- (i) identify the information needed to monitor the business and manage risk to make proper judgements on the FPP of the Group; and
 - (ii) identify, assess and document the risk factors likely to impact on the FPP of the Group and any changes thereto; and

(iii) prepare and communicate to the Directors relevant, related information.

- (b) This memorandum also sets out a description of certain accounting and control procedures, including a description of annual and interim reporting procedures.
- (c) This memorandum is concerned principally with the mechanisms which are in place to enable the Board to make proper judgements as to the overall FPP of the Group.
- (d) This document does not consider in detail the Company's compliance with the provisions of the QCA Corporate Governance Code. See Section 2.6.

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2.0 CORPORATE AND CONTROL ENVIRONMENT

2.1 Top Down

Control over the ethical, corporate and governance environment of the Group's operations is "top down" driven. The Board comprises a depth of experience in operations, corporate transactions, public listed compliance and ethics. Matters of corporate governance, safety, market abuse, bribery and corruption are all acknowledged by each Board member as central to the management and respect and integrity of the Group.

2.2 Management

The Group is overseen by The Chairman of the Board, with assistance from the Non-executive Directors. The Board is responsible for the performance, compliance and proper management of the Group. The CEO is responsible for the day-to-day management of the Group's exploration and administration activities, reporting to the Board. All field-related activities are managed by an appropriately qualified and experienced Exploration Manager who reports directly to the CEO.

2.3 Financial Reporting

The Group engages adequately qualified and experienced third parties to ensure that financial reporting is well controlled. Rockfire utilises the services of WSC Group, Graeme Hogan and One Advisory Group, which manages financial reporting on an annual and half-yearly basis. Actual results are reported against budget, and where appropriate re-forecasts are prepared by the CEO. At an operational level, the Exploration Manager and the CEO take prime responsibility for the preparation of budgets and reporting of operational expenditure to the Board on a regular basis.

2.4 Responsible Incentivisation

The Company has instigated an incentive package for Senior Management which is aligned to the interests of shareholders and other stakeholders.

2.5 Local Culture and Tradition

The Company is sensitive to the expectations of the local communities in which it operates. Such communities include a diverse range of stakeholders including the farming community, traditional owners, local businesses, recreation seekers and land and environment authorities. The Company respects the well-being and traditions of the communities and their various cultures. At all times, local communities are offered employment opportunities ahead of prospective employees outside the local area.

2.6 Corporate Governance

There are implications of certain FPPP which affect Corporate Governance issues and these are dealt with as appropriate. However, for completeness, the Company's Corporate Governance Policy is reproduced in **Appendix "B"**.

Gordon Hart



22/03/2021

Name

Signature

Date

4.0 Risk assessment

4.1 The Board considers that the following are the principal risk factors likely to impact on the FPP of the Group, including any changes thereto, and on the preparation and communication to the Directors of such impacts relating to the FPP:

The Board has identified the following manageable principal risk areas likely to impact the Group:

- Financial risks as listed in the Company's annual report –
- COVID 19
- Exploration
- Resource
- Environmental & Native Title
- Political
- Bribery
- Insurance coverage
- Market Abuse Regulation (MAR)
- Technical/employee
- Reputational risk

4.2 Summary of risk and how it is monitored, managed and mitigated.

The above risks are managed and monitored by providing detailed reports to the Board as follows:

GENERAL

- All risks identified are reported to the Board for consideration on how to manage and mitigate such risks.
- Risks are prioritised by the Board to ensure impact on the business is minimised or eliminated.
- Action is taken where appropriate to eliminate the risk and a monitoring process will commence to ensure the risk does not result in impact on the business.

OPERATIONS

- Interruption to operations / equipment failure. Appropriate timeframes are provided by the Exploration Manager and the CEO to the Board and to AIM which manage expectations on the provision of outcomes from exploration. Such expectations include commencement and finalisation of field operations and the timing and reporting of results.
- Evaluation of exploration programmes and results. The Company commits to informing AIM of all results – regardless of outcome. The impact on the business from negative exploration results is likely to be a material risk to the FPP of the Group. Risk mitigation involves informing the Board of exploration results rapidly and the Board monitoring exploration results on a regular basis. Further exploration risk mitigation is managed by having several prospects explored simultaneously to ensure the Group is not relying on any single project for exploration success.
- Health and safety. A comprehensive OH&S (not defined) manual and Site Induction and Emergency Response Card has been produced by Rockfire to ensure its personnel and contractors are conscious of their operating environment and can successfully identify and manage risk. Rockfire adopts a “Watch and Assist” strategy to ensure personnel are keeping a close watch on the operation and performance of one another and are willing and actively seeking to assist each other to perform tasks successfully and safely. All Rockfire personnel are trained to a minimum level of Senior First Aid Certificate.
- Labour relations. All Group personnel are treated equally and without prejudice. This includes salary and wage rates, working conditions, adequate rest intervals and the provision of reliable personal protective equipment. Any grievances personnel may have been directed to the Exploration Manager for initial response and resolution. The Exploration Manager involves the CEO only when resolution is not achieved. Failing resolution by the CEO, the Board is responsible for the ultimate decision on how to resolve grievances fairly, honestly and promptly.

FINANCIAL

- Financial crisis - Adequacy of cash resources & going concern. The Company has implemented a regular review of reporting against budget, which is usually monthly. Additionally, a review and update of cash forecasts occurs on at least a bi-monthly basis. The Board is provided with frequent updates on exploration programmes including progress, techniques and results. Such results are used to monitor and design future programmes and budgets. Impairment reviews are based on exploration success and are reviewed at least annually.
- Evaluation of exploration programme costs against budget and cash forecasts. The Company has implemented a regular review of reporting against budget, which is usually monthly. Additionally, a review and update of cash forecasts occurs on at least a bi-monthly basis. Timing and costs associated with each programme are monitored by the CEO and reported to the Board on a frequent basis.
- Foreign exchange risk. To help minimise risk to the business, transfers to overseas operations are done as infrequently as possible and reasonably large sums are transferred at any one time to minimise the number of transfers required.
- Control over overseas expenditure, particularly in relation to fraud. The Company has implemented a two-signatory requirement on all international money transfers, with both signatories being Directors. Additionally, a system of monthly invoice reporting has been

implemented which ensures that two Directors have provided approval for all invoices prior to any payment from the Group accounts. A local accounting practice in Australia has been engaged to assist with payroll, taxation and accountability of funds.

CORPORATE

- Failure of Corporate Governance policies. The Company takes its Corporate Governance responsibility very seriously and has adopted the QCA Corporate Governance Code. Each Director is reminded that he/she is responsible for the collective adherence to the Company's Corporate Governance policies.
- Public Relations. The Board is proud of the Company's corporate image and reputation. To ensure this reputation is maintained, each Director is scrutinised prior to joining the Board to ensure a sound reputation. Each Director is qualified and experienced in running public companies (is this really true? I wouldn't describe myself thus) and understands the requirement for a clean, honest corporate image. Rockfire bases its reputation on honesty, reliability, transparency and dependability. Yellow Jersey have been mandated to ensure that Rockfire maintains a sound reputation in the corporate world.
- Related Parties. The Board and Senior Management are expected and encouraged to avoid related party transactions and conflicts interest. At regular Board meetings, Directors are required to declare any related party transaction or conflict of interest at the commencement of each meeting. By attending the meeting and this declaration being recorded in the Minutes, Directors are confirming that all conflicts and related party interests have been adequately disclosed to the Board. When considered necessary by the Board, conflicts of interest and related party transactions are included in RNS announcements to ensure the market is fully aware of any such related party transaction or conflict of interest.

COVID 19

- The COVID-19 pandemic is having an impact on so many aspects of our lives, the businesses we rely upon, the health of the global economy and the way we live our daily lives, the Board continues its ongoing programmes but has instigated various measures as a response to the current economic, environmental and financial climate. (Identify measures?)

5 OBJECTIVES AND PROCEDURES

Objective	Procedures	
A. High-level reporting environment		
Any Company-specific objectives	Evaluation of exploration assets and assessment of potential new licences / tenements.	
Identify the high-level reporting controls, governance and financial accounting procedures and IT controls over FPP information.	<p>The Board has implemented the following entity level controls over FPP information to ensure its validity and integrity:</p> <ul style="list-style-type: none"> - Tone setting - Board / audit committee reporting - Assignment of authority and responsibility - Segregation of duties - Account reconciliation - Monthly reporting with variance analysis 	

Recruit Board members with relevant and complementary skills, including financial skills, enabling:

- the Board to exercise oversight over reporting of, and assessment and use of, FPP information; and
- non-executive Directors to provide robust challenge to management on FPP information.

The Board and Senior Management comprises:

Rockfire Resources plc		
Board and Management		
Name	Role	Committees
Gordon Hart	Chairman	Audit, Remuneration
David W Price	Chief Executive Office and Managing Director	
Nicholas Walley	Non-executive Director	Chairman Remuneration
Ian Staunton	Non-executive Director	Chairman Audit
Patrick Elliott	Non-executive Director	Audit, Remuneration
Graeme Hogan	Company Secretary	Secretary Audit, Secretary Remuneration
Edward Fry	Exploration Manager	

Board members

The Board is responsible for the corporate governance of the Company. The Board manages and monitors the business and affairs of the Group on behalf of the shareholders.

Gordon Hart is considered an independent director. David Price is not considered as independent as he is a significant shareholder and vendor of BGM, the company acquired by Rockfire in 2017. (Executives are not considered to be independent)

The relevant skills of the Directors, including details of financial experience, are outlined in Appendix "A" to this memorandum.

Given the size of the Group, the Board is responsible for the high-level management of financial and administrative matters.

Board meetings

Board meetings are held at a minimum of every three months. However, more frequent meetings will be held where required and as appropriate. If matters that require Board approval arise between regular Board meetings, an interim meeting are held (normally via Zoom) to discuss the appropriate course of action. Proceedings of all meetings are recorded in the minutes and signed by the Chairman of the meeting.

Board committees

Nomination Committee

In the absence of a Nomination Committee, the Board approves the nomination and appointment of new Directors.

Audit Committee

The Audit Committee members are Ian Staunton (Chairman), Gordon Hart and Pat Elliott.

The Audit Committee is responsible for reviewing a wide range of matters, including half-year and annual accounts and to submit its recommendation to the Board. The Audit Committee monitors the controls that are in force to ensure the integrity of information reported to shareholders. The Audit Committee, through its Chairman, reports to the Board at the earliest possible Board meeting after the Audit Committee meeting.

The Audit Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors.

Remuneration Committee

The Remuneration Committee members are Nicholas Walley (Chairman) and Pat Elliott. The committee meets at least once a year and will be responsible for making decisions on Director's and Senior Management's remuneration packages and corporate incentive programmes.

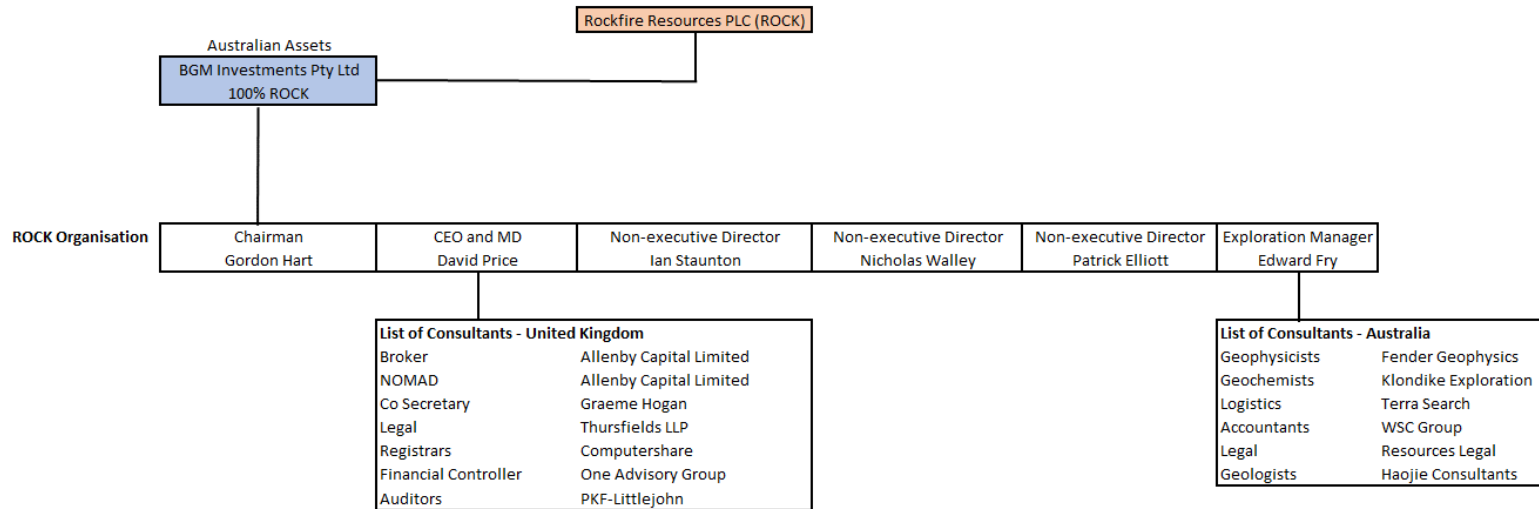
Corporate Social Responsibility (CSR) Committee

In the absence of a CSR Committee, the full Board monitor, approve, and act upon all matters related to Corporate Social Responsibility. The Board is committed to the welfare of local communities including employment of local community members wherever possible.

Key Management Personnel

Exploration site management

A management structure chart can be seen below.



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Rockfire

<p>Assess the culture and management's operating style and ensure that these encourage effective control over reporting of FPP information.</p>	<p>The current corporate culture of the Group is one of experience, professionalism, honesty and responsibility. Integrity, openness and honest discussion are key characteristics of the organisational culture which encourages effective control over reporting of FPP information.</p>
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<p>Organise the finance function with staffing levels, qualifications and capability commensurate to the accounting and reporting complexity of the business.</p>	<p>The finance function is organised on a Group basis by WSC Group in Australia and One Advisory Group in the United Kingdom. Adequate and appropriately qualified and diligent staffing is in place to ensure accurate and timely financial reporting to meet all AIM and legislative reporting deadlines and disclosures. Regular Board reports at least quarterly will ensure that all Directors are well informed of financial trends and results.</p> <p>Day-to-day management of the Group's primary operations in Queensland is the responsibility of Edward Fry. Operations reporting is overseen by the CEO and Managing Director, David Price with various strategic policies and decisions reserved for the Board.</p> <p>WSC Group have overall responsibility for the accounting systems, financial information and financial reports prepared for both internal and external purposes. They, and the Audit Committee, are also responsible for overseeing the implementation of the necessary internal controls for the safeguarding of the Company's assets and ensuring the validity and integrity of the financial data generated.</p> <p>The books and records of the Group are maintained by WSC Group and consolidated as part of the financial reporting processes.</p> <p>Process;</p> <ul style="list-style-type: none"> - Invoices to D Price - entered on XL spreadsheet. - Monthly payments approved by Chairman and MD and payments made middle of each month. - Monthly bank statements from AIGB (UK) and CBA (Australia) provided to WSC Group - Invoices and XL spreadsheet sent to WSC for processing. - WSC have set up 2 Xero accounts. One for BGM P/L (Aust) and one for Rockfire (UK) - Monthly upload invoices and allocate to Xero for each entity with supporting documentation uploaded - Reconcile bank accounts, debtors and creditors each month. - Complete trial balance - Lodge quarterly BAS statements - Prepare P&L statements for each entity - Prepare Balance Sheets for each entity - Notes and file notes - Lodgment of tax return for BGM - One Advisory have been engaged to provide assistance to the Group with the preparation of its unaudited half year interims to 30 June - Provide consolidated annual reporting requirements to 31 December - Preparation of monthly payroll and related submissions for two UK non-executive directors - Continue to provide certain company secretarial services such as provision of registered office, Companies House filings.
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	Emphasis is also placed on confirmation by all Senior Management of compliance with regulatory and corporate governance policies and related party transactions.
Communicate Board decisions on FPP information to those responsible for implementing them.	<p>Members of WSC Group attend Board Meetings as and when requested to. These meetings have recorded Minutes by the Company Secretary and action items are circulated. The action items are followed up at the subsequent board meeting and updates provided as to the status of these items.</p> <p>Each of the sub-committees of the Board report their respective duties and outcomes at Board meetings.</p>
Maintain risk processes and financial controls that have implications for FPP information.	<p>The Board is ultimately responsible for the Group's system of internal control and for reviewing the effectiveness of the Group's system of internal control in the light of risks identified.</p> <p>Presently, the current size of the organisation has not warranted the development of a fully exhaustive and formal risk register. The review and monitoring of the risk register is the responsibility of the Board.</p>

<p>Determine authority levels for approval of activities which carry risk or significant accounting complexity.</p>	<p>The following decisions will be made by the Board at properly convened Board meetings, supported by detailed documentation and analysis of the relevant matter</p> <ul style="list-style-type: none"> • Annual budget approval • Annual and interim accounts approval • Capital expenditures exceeding previously-approved budgets • Acquisitions or applications for new areas, licences or tenements • Major fund raisings, including by way of equity or debt • All recommendations to shareholders at public meetings. • Entering into joint ventures, mergers or acquisitions • Issue of equity and share options • Formation of new subsidiaries • Exploration programmes • Director and senior management appointments. • Consideration and review of effectiveness of all Board sub-committees <p>Given the size and scale of current operations, no formal authority levels of approval have been set as all decisions are made by the Directors. All exploration and administration activities are approved by the Board. Once approved, the CEO is responsible for engaging the respective contract services.</p> <p>All invoices are approved by the CEO and Chairman prior to payment.</p>
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<p>Provide clear financial reporting lines and accountability, with segregation of duties.</p>	<p>The books and records of the Group are maintained by WSC Group. Adequate control exists over the accuracy of reporting, and formal internal control measures are constantly in a state of revision and improvement.</p> <p>The Board formulates financial policies, delegates administration of the financial policies to the CEO and reviews operations and activities. All purchase orders/commitment for work is authorised by the CEO in advance of committing to any expenditures.</p> <p>In summary, financial duties and responsibilities are separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts etc. Prior to payment, all invoices will be approved (indicated by initialling) by the CEO, who will code the invoice with an appropriate expense or other chart of accounts line-item number, class and job number (where applicable). Approved invoices will be entered into the accounting system. Authorised signatories for bank/payment transactions include both the Chairman and the CEO.</p>
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Maintain accounting records that are up to date and from which timely, reliable management information can be produced.

Accounting records are kept up to date by performing the following:

- Invoices to D Price - entered on XL spreadsheet.
- Monthly payments approved by Chairman and MD and payments made middle of each month.
- Monthly Bank statements from AIGB (UK) and CBA (Australia) provided to WSC Group
- Invoices, bank statements and XL spreadsheet sent to WSC for processing.
- WSC have set up two Xero accounts. One for BGM P/L (Aust) and one for Rockfire (UK)
- Monthly upload invoices and allocate to Xero for each entity with supporting documentation uploaded
- Reconcile bank accounts, debtors and creditors each month.
- Complete trial balance
- Lodge quarterly Bas statements
- Prepare P&L statements for each entity
- Prepare Balance Sheets for each entity
- Notes and file notes
- Lodgment of tax return for BGM
- One Advisory have been engaged to provide assistance to the Group with the preparation of its unaudited half year interims to 30 June
- Provide consolidated annual reporting requirements to 31 December
- Preparation of monthly payroll and related submissions for two UK non-executive directors
- One Advisory provides certain company secretarial services such as provision of registered office, Companies House filings.
- PKF has been engaged to provide services as Group Auditor
- Provide a true and fair view of the state of affairs of the Group and parent company at year end and of the Group's P&L
- To ensure the accounts have been properly prepared in accordance with IFRS
- To ensure the accounts have been prepared in accordance with the requirements of the Act
- To state that the information in the Strategic Report and the Directors' Report have been prepared in accordance with the applicable legal requirements and whether any material misstatements are identified
- To ensure adequate accounting records have been kept, financial statements are in agreement with records and returns and disclosure of Directors' remuneration are made by law
- Obtain understanding of internal controls, appropriate accounting policies, Directors' use of going concern basis of accounting, overall presentation and content of the Group financial statements and non-financial information included in the Annual Report
- Obtain sufficient audit evidence to express an opinion on the consolidated financial statements.

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Enable the financial position on a statutory basis to be established and reconciled with the management accounts.	<p>The Group currently prepares annual financial statements in accordance with IFRS. Annual and half year accounts are published in accordance with the AIM rules. The annual financial statements are subject to audit and the half yearly financial statements are prepared on an unaudited basis.</p> <p>Reconciliations of any differences between the published accounts and management accounts will be presented to the Board at the audit completion meeting.</p>
Collate FPP information and report it to the board on a timely basis.	<p>The Company's management accounts have been and will continue to be produced on a monthly basis. Expenditure summaries are normally completed by the 20th day of the following month and are distributed to all Directors. The Company management accounts are reviewed at Board meetings and form part of the Board packs circulated to the Board. Follow up actions are recorded in the minutes and the previous month's minutes are reviewed at each Board meeting</p> <p>The financial information to be provided to the Board at least on a half yearly basis will comprise the following information:</p> <ul style="list-style-type: none"> • Cash flow, and shareholder information. The quarterly projected cash position is updated each quarter. • Details of the net working capital position and a reconciliation of the movements in net working capital from the preceding period. • Comparisons of actual to budget / reforecast as appropriate. • Variance items greater than 10% and over a threshold amount are explained.

<p>Enable whistleblowing and escalation of problems and concerns to senior management and to monitor how these are addressed.</p>	<p>Currently, there is a close working relationship with staff, the management team and the Board, where such problems and concerns are raised promptly and addressed appropriately. A whistleblowing policy has been formulated and approved by the Board.</p>
<p>Evaluate whether internal control over reporting of FPP information is present and functioning.</p>	<p>The Board, as well as One Advisory Group and the Auditors review whether control over the reporting of FPP information is present and functioning.</p>
<p>Identify internal control deficiencies and communicate them in a timely manner to parties responsible of taking corrective action, and to the Board as appropriate.</p>	<p>Internal control deficiencies identified by the Auditors are reported to management and to the Audit Committee following the year-end audit. There have been no material internal control deficiencies reported by the Auditors.</p> <p>Given the Group's current size, its present high-level internal control measure is the detailed review of the management accounts by the Board and communication of any issues raised to the relevant personnel. .</p>

<p>Respond in a timely way to points affecting FPP information arising from external audit and, where applicable, internal audit and to monitor progress.</p>	<p>In their management report, the Auditors note the extent to which deficiencies identified in previous years have been resolved. There have been no control weaknesses reported by the auditors. The Company is satisfied that there are no significant control weaknesses that have been reported to the Board which have not been adequately resolved.</p>
<p>Enable internal audit, where applicable, to focus on factors that could affect FPP information.</p>	<p>The Audit Committee chaired by Ian Staunton focusses on factors that could affect FPP information. Graeme Hogan assist with internal review processes. The Board keeps the possible requirement for an internal audit function under review.</p>
<p>Identify, document and test recovery procedures and cover arrangements essential to producing FPP information.</p>	<p>The internal accounting system used by Rockfire is an Excel spreadsheet, which is backed-up daily. The IT service provider has confirmed that the backups have been tested to ensure that recovery is possible</p>

Facilitate regular review and reassessment of the Company's FPPP .	The Board intends to undertake an annual assessment of the effectiveness of its risk assessment and internal control processes going forward. The Company will continue to review its existing FPPP to identify any gaps and will implement appropriate procedures as required, particularly in anticipation of material changes in the nature or extent of the Group's operations.
B. Forecasting and budgeting	
Reflect key business risks in strategy and plans.	<p>Board meetings have records of Minutes taken by either the CEO or the Company Secretary, if present. An Agenda and strategy /action items are circulated with an expected completion date. These items are then reflected in the budget and cash forecasts, including details of identified risks, which are presented at subsequent Board meetings.</p> <p>Subsequent monitoring of the Group will include consideration by the Board of changes in the risks previously identified and/or newly identified risks that arise during the course of operations.</p>
Determine and document budgeting and forecasting processes to meet the needs of the business, to reflect strategy and plans and to identify changes to its prospects.	<p>Annual budgeting procedures</p> <p>A cash flow budget is prepared each year for the AGM and audit process which is approved by the Board. The Budget is in effect an informal business plan for the year. The budget is continually updated during the year and given the nature of exploration; reforecasting occurs on a quarterly basis.</p> <p>The budget is prepared using Microsoft Excel. In addition to the exploration budgets, an administration and corporate overheads budget is also prepared. The budget is reviewed by the CEO and Company Secretary prior to submission to the Board. Monitoring against the budget occurs quarterly and is reported to the board, by the CEO and Company Secretary.</p> <p>Re-forecasting procedures</p> <p>A consolidated cash flow and net working capital position is prepared each quarter. These documents capture where the funds have been actually spent and whether it sits in line with what was originally budgeted. The Company Secretary provides an update of the cash position and forecast at each Board meeting.</p> <p>The cash forecasts are currently prepared using Microsoft Excel.</p>

<p>Identify and monitor risks to achieving forecasts, in terms both of over- and under-performance.</p>	<p>Currently no sensitivity analysis is performed on the budgets or cash reforecasts.</p> <p>Impact of material changes in the rate of expenditure on assets will be considered when reforecasts are undertaken. The impact on the Group's working capital is assessed at the same time and considered by the Board when reforecasts are presented to it.</p>
<p>Adopt a model for budgeting and forecasting that satisfies the needs of the business, including its plans for growth.</p>	<p>Given the nature and current scale of operations, budgets and forecasts are maintained on Microsoft Excel spreadsheets as this is deemed to satisfy the needs of the business at present. However, as the company grows, a more sophisticated accounting software package will be acquired.</p> <p>The net working capital position of the Group is presented at each Board meeting and is scrutinised by the Board to understand where the actual cash spend has occurred and compared to budgets, with variance analysed.</p> <p>Presently, budgets are prepared on a "bottom up" basis by the CEO, Exploration Manager and Company Secretary.</p>
<p>Involve staff in the preparation of budgets and forecasts with sufficient knowledge of the business and market and provide for input from those who will be charged with achieving them.</p>	<p>The Group budget is prepared using Microsoft Excel and will be based on a "bottom up" approach.</p> <p>Budgeting for the existing exploration projects of the Group is determined by available cash resources. The Exploration Manager is responsible for providing the details which form the exploration budget, before review against minimum spend obligations and availability of cash resources.</p> <p>The assumptions in the head office administration and corporate overheads budget are derived from quotes, engagement letters, contracts and past experience. The budget is then reviewed by the CEO and company secretary prior to submission to the Board.</p>

<p>Distribute budgets and forecasts for review and approval by senior management and the board on a timely basis.</p>	<p>As mentioned above, a cash flow budget is prepared each year in June and submitted to the Board for approval. Cash reforecasts and net working capital positions are presented at each Board meeting.</p>
<p>Compare management accounts against budgets and forecasts and analyse and explain positive and negative variances that are reviewed by the Board on a timely basis.</p>	<p>Monthly management accounts are presented at each Board meeting. The monthly management accounts consist of the following:</p> <ul style="list-style-type: none"> - Actual expenditure and allocation of spend to a project - Cash forecast budget <p>The budgeting process, is operations focussed, with the existing working capital model as a basis for bottom-up budgeting.</p>

<p>Adapt plans as necessary based on monitoring of progress against budget and forecast and organise resources and capabilities to implement changes.</p>	<p>Currently given the size and scale of operations this is done by the Directors in Board meetings.</p>
<p>C. Management reporting framework</p>	
<p>Consider the nature of management information and KPIs required to monitor the business and inform the Board about FPPP.</p>	<p>The Board is provided with monthly financial statements with a specific emphasis on cash <u>on cash</u> flow. Actual expenditure is monitored against <u>monitored against</u> budget on a monthly basis.</p> <p>Exploration expenditures will be measured initially against minimum expenditure commitments and equally against available cash resources.</p>

<p>Generate and report to the<u>to</u> the Board timely and reliable information including material financial information and KPIs.</p>	<p>Details of financial information provided to the Board are set out in section A above.</p>
<p>Provide the Board with timely information between periodic reporting dates about events with a material financial impact.</p>	<p>Unforeseen economic events having an impact on the operations will be reported immediately to the Board with a proposed course of action.</p> <p>The event need not necessarily be of material financial impact for it to be reportable to the Board. It may be however, that the matter is of relevance to investors, and a board decision may be required as to whether it is deemed “inside information” under MAR. In any event, the CEO will consult with the Company’s Nominated Advisor immediately on becoming aware of such information.</p> <p>In such a case, a Board meeting may be called to resolve the matter and agree a course of action. Such Board meetings must necessarily be via Zoom, outcomes of which will be documented via circular resolution.</p>

D. Significant transaction complexity, potential financial exposure or risk	
<p>Inform the Board of the accounting, measurement and tax implications of transactions involving significant complexity potential financial exposure or risk.</p>	<p>In the context of expanded transactions involving significant complexity, potential financial exposure or risk would typically encompass:</p> <ul style="list-style-type: none"> • Changes in local environmental laws; • Revised JORC reserves / resources • Applications for new tenements; • New JV agreements/partnership/acquisitions; and • Contractual off-take agreements; and • Re-financing arrangements • Acquisitions or divestments <p>Management has the expertise to provide the appropriate information to the Board in order for it to reach a decision. In some circumstances, such information would include competent persons reports (CPRs), financial due diligence, financial projections and country risk assessments.</p> <p>In all material instances, Board approval is sought where the Company enters into contracts/agreements for transactions. No agreements are entered into until they are approved by the Board.</p>
<p>Measure, record and report complex financial instruments and transactions involving such financial instruments on a timely basis.</p>	<p>Notwithstanding the international spread of the Group's operations, the operations do not warrant or involve the use of complex financial instruments and transactions. Should the Group enter into such<u>into such</u> instruments the accounting will be handled by WSC Group and One Advisory Group in consultation with the Board.</p>

<p>Report to the Board the extent of commitments and contingencies and potential financial liabilities and related taxation consequences arising, for example, from pensions, lease commitments, leasehold dilapidations, litigation, onerous contracts, foreign currency, warranties and indemnities given, deferred consideration payable, environmental matters and future site rehabilitation costs.</p>	<p>All decisions with respect to leases, foreign currency exposures, commitments and contingencies, litigation and taxation positions (when necessary) are discussed at Board <u>at Board</u> meetings and more frequently as appropriate.</p> <p>The terms of new tenements, including minimum spend commitments, are discussed at Board level prior to being entered into.</p> <p>The information provided to the Board varies <u>Board varies</u> in accordance with the nature of the transaction and includes <u>and includes</u> detailed written information on the subject and, if necessary, suitable professional advice.</p>
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<p>Report to the Board any exceptions to authority levels for such commitments and contingencies.</p>	<p>N/A – due to the size of the Group, all contracts are entered into with Board approval. Certain immediate financial guarantees having to be granted will be tabled for Board ratification.</p>
<p>Scope and approve appropriate outsourced arrangements and monitor their performance.</p>	<p>Given the current size of the Group, the statutory finance requirements are outsourced to WSC Group and One Advisory whilst the Company Secretary role is on a contractual basis with Graeme Hogan.</p> <p>The outsourcing of these arrangements, and any further such outsourcing in the future, has been considered by the Board in relation to its extent, service provisions, cost and the reliance of the Group on the third party.</p> <p>The performance of these outsourced services is monitored on an ongoing basis by the CEO and Chairman and material changes or issues reported to the Board.</p>
<p>Consider and act upon advice obtained from external experts in relation to FPP information.</p>	<p>Technical accounting position papers are prepared to document complex transactions and the associated accounting. Such technical accounting position papers are presented to the Audit Committee in the first instance and included for all Directors in Board packs.</p> <p>Matters arising including those which are not specifically related to FPPP are also discussed with the Company's Nominated advisor when necessary. Appropriate consultations are undertaken in advance of any Board decision.</p>

E. Strategic projects and initiatives, including new business streams	
<p>Carry out assessment, project planning, management and delivery through experienced staff or third-party experts with senior management oversight and upward reporting.</p>	<p>Currently the process of appraising, planning, managing and delivering any project work on potential projects acquisition is done on an informal basis with an update provided to the Board as appropriate as part of the CEO's report.</p> <p>With respect to the Group's projects in Queensland, the following assessments have been carried out or are in the process of being carried out by the Board:</p> <ul style="list-style-type: none"> • Review of the internal and historical geological data; • Active, industry-accepted exploration techniques • Monitoring of JV and or farm-in arrangements • Review of funding needs.
<p>Determine and monitor budgets, KPIs, milestones or other benchmarks and provide regular and timely reports to the Board.</p>	<p>The Company has instigated a KPI programme for the Board and Senior Management to align them with shareholder and other stakeholder interests.</p> <p>The incentive achievements or shortfalls are reviewed and judged on a half yearly basis. The incentive programme is reviewed and updated annually by the Remuneration Committee<u>Remuneration Committee</u>.</p>

<p>Measure, account for and assess tax implications of strategic projects through experienced staff with Senior Management oversight.</p>	<p>The Chairman and CEO are responsible for initially assessing the tax implications of strategic projects and initiatives, with appropriate external advice. The taxation consequences are considered as part of any proposed transaction but only insofar as it (taxation) is part of the decision-making process. Taxation of itself is unlikely to be a motivating factor in arriving at a decision at the Group's current.</p>
<p>Record transaction information relating to strategic projects in the right period.</p>	<p>WSC Group ensures that transaction information (including tax implications) relating to strategic projects and initiatives is recorded in the correct period. This is verified as part of the annual audit process.</p> <p>The CEO will sign off on working capital reports as required.</p>
<p>Provide up to date reporting of strategic projects.</p>	<p>The CEO and senior management provide either verbal or written reports on progress and performance of projects and initiatives at Board meetings. These updates generally form part of the CEO report to the Board.</p> <p>In its current form, the directors are in constant communication and regular, informal meetings keep each director fully informed. The formality of the Board meetings documents the informal information flow.</p>

<p>Measure and assess economic lives of assets, and support and document decisions for asset replacement.</p>	<p>Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing. A review of the carrying values on each area of interest is done on a half-yearly basis (as part of the regulatory financial reporting process) to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.</p> <p>Currently the Group has minimal property, plant and equipment on its books.</p>
<p>Scope and approve contractors and monitor their performance.</p>	<p>For large expenditure items, suitable contractors are put forward by the management team to the Board for consideration and approval. The performance of the contractors (if working on a substantial exploration) are documented and reported in the CEO report. However, going forward, a formal tender process would be run to select contractors for significant exploration activities (e.g.g., drilling).</p>
<p>F. Financial accounting and reporting</p>	
<p>Evaluate, determine, approve and document appropriate accounting policies that comply with applicable Generally Accepted Accounting Principles (GAAP) and IFRS.</p>	<p>The Group has applied accounting policies which accord to IFRS. Detailed accounting policies are set out in the financial information included in the Annual Report.</p> <p>The Directors believe that the policies are appropriate for the business and consistent with industry practice and 'best practice'.</p>

<p>Apply chosen accounting policies consistently.</p>	<p>The Company will continue to use accounting policies applied in the preparation of the historical financial information for the preparation of its accounts.</p>
<p>Consider the impact of new financial reporting standards on a timely basis and determine, document and promptly communicate required changes to accounting policies.</p>	<p>WSC Group and One Advisory are responsible for monitoring new accounting policy developments in their respective jurisdictions and any changes in IFRS and for ensuring that the Group policies comply with these. WSC Group and One Advisory ensure that any changes in accounting standards are relayed to the Company. All accounting policy changes are raised and discussed at the Audit Committee level.</p> <p>The Auditors report developments in accounting standards in their planning report and review the implementation thereof as part of the audit process.</p>

ROCKFILLER

<p>Identify, consider and disclose uncertainties and risks from applying chosen policies, including assumptions underpinning fair values and other key accounting assumptions as defined in relevant financial reporting standards.</p>	<p>The accounting policies that have a significant impact on the Group's financial statements is the policy for accounting for exploration and evaluation costs and the impairment Standard. At least once each year, WSC Group will prepare an impairment memorandum for the Board's consideration when formally adopting the accounts as being true and fair.</p> <p>In summary, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific connection with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.</p> <p>A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. A provision is raised against exploration and evaluation expenditure where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full <u>in full</u> in the year in which the decision to abandon the area is made.</p>
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<p>Document and assign responsibilities for external reporting obligations, monitor compliance with these and investigate and remedy delays</p>	<p>The Group will continue to comply with the AIM Rules as follows:</p> <p>Half-yearly reports</p> <p>Historically the Group accounts have not been “audit reviewed” at the half year. The Auditors did do a high level<u>high-level</u> overview for the half year to June 2020.</p> <p>Annual accounts</p> <p>The Group prepares annual financial reports to meet its annual reporting requirements for AIM and UK legislation. The annual financial report is prepared in accordance with IFRS. The Group has met all its reporting deadlines over the previous years and believes it will continue to meet them.</p> <p>The Group’s finance team has experience in preparing annual accounts in accordance with the AIM Rules. Primary responsibility<u>responsibility lies</u> with the CEO and the professional service providers to meet these obligations.</p>
<p>G. IT environment</p>	
<p>Align IT business and strategies and obtain board approval for planned use of IT for FPP information.</p>	<p>The IT function is managed by the Group’s contractors, Rifle Media Pty Ltd. In the past, all appropriate information has been made available and there has been no record of failure to do so as a result of the breakdown in the IT function.</p> <p>The Group uses MicroMine modelling software, MapInfo GIS software, Office 365 for administration and both Outlook and Thunderbird software for its emailing services. All emails, administrative and technical data is remotely backed-up by DropBox.</p> <p>Management appreciates the need and the importance of IT in compiling and communicating information accurately and immediately.</p>

<p>Document the general features of key systems impacting inputs to and production of FPP information.</p>	<p>Accounting system(s)</p> <p>The Group uses Xerouses Xero as its main general ledger accounting system. Xero is universally accepted as an appropriate accounting software package. Xero is internationally represented and supported.</p> <p>Other systems impacting FPP information</p> <p>Refer IT section, above. Office 365 is used throughout the Group's operations and is widely adapted for use in financial reporting as much as (non-technical) operations reporting.</p>
<p>Document, approve and communicate disaster recovery plans and procedures.</p>	<p>The IT function is outsourced to Rifle Media Pty Ltd. All disaster recovery plans and procedures are maintained by these contractors. Rifle Media has access to backups for Office365 and email history for disaster recovery and Rifle Media maintains the company's website.</p>
<p>Periodically test disaster recovery plans, describe results and address matters arising.</p>	<p>The IT function is outsourced and all disaster recovery plans and procedures are maintained by Rifle Media Pty Ltd. The IT service providers have confirmed that the backups have been tested to ensure that recovery is possible. It is confirmed that at the date of this FPPP memorandum, that adequate systems are in place, and that work-critical data is backed up.</p>

<p>Restrict physical access to IT networks, equipment, storage media and program documentation to authorised individuals.</p>	<p>Management of IT networks, storage media and program documentation are managed by Rifle Media Pty Ltd. Firewalls are in use to protect the IT environment and these will be monitored and updated accordingly.</p>
<p>Document security arrangements and procedures for processing internet trading arrangements and online transactions to authorise and protect processing.</p>	<p>N/A – there are no internet trading arrangements or online transactions in place, with the exception of online banking.</p> <p>Access to the online banking system is limited to the finance team, being the Chairman and CEO. Given the size of the Group, the number of people with access is adequate. Only approval by both the Chairman and the CEO can authorise the bank to add and delete employees and make changes on user access.</p>

<p>Identify, assess and manage risks of outsourcing to data integrity and governance.</p>	<p>The IT function is outsourced and managed by Rifle Media Pty Ltd. Backup of data is to DropBox, which has live backup capability for any changes to the data. A “MASTER” database for each project has established. This is maintained in the Cloud through DropBox, with backups on individual computers throughout the Company including the CEO and the Exploration Manager. At any one time, there are 3 identical copies of the Master files for each project.</p>
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ROCKFIRE

APPENDIX A

Gordon Hart +35 years' experience in Equities and Corporate Advisory. Chairman

Gordon is the Founder of and has been Managing Director of 'Venture Group Equities' for the last 14 years. In this capacity, Gordon has advised on and been involved with more than A\$300m in transactions and brings a wealth of corporate, equities, and emerging company experience to Rockfire.

Gordon is a Graduate of the Australian Institute of Company Directors and has a Graduate Diploma in Corporate Governance of ASX Listed Entities. Gordon provides knowledge and experience with AIM-listed companies and relevant corporate capability in advising listed entities.

He has been a board member of numerous ASX-listed resource companies including Convergent Minerals Ltd and GB Energy and is a current Advisory Board Member of Information Pty Ltd, an unlisted IT company.

Ian Staunton Non-executive Director

Ian has worked in the City of London for more than 40 years, in roles including Audit Partner, Corporate Finance Partner and Equity Partner in various accounting firms.

Ian is a qualified Chartered Accountant, a Fellow of the Institute of Chartered Accountants and has a Diploma in Corporate Finance. Having worked as Equity Partner and Head of Capital Markets for Chantrey Vellacott DFK LLP and a Senior Equity Partner for Moore Stephens during the last 25 years, Ian provides Rockfire with an extremely strong level of accounting and audit experience. Such high-level accounting, audit and compliance capability fulfils Rockfire's ambition to broaden its corporate skill base and to bring unparalleled experience from London onto the board. Ian is chairman the Audit Committee.

David Price Chief Executive Officer

David is a geologist and senior executive with 30 years of experience in the global mineral exploration industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Competent Person for Mineral Exploration under the guidelines of the JORC Code. David has been involved with several major drill-out projects on large-scale orebodies including Big Bell gold mine (WA), Granny Smith gold mine (WA), Osborne copper/gold mine (QLD) and more recently, the Mt Holland Li project (WA). He has specialised experience in exploration management and has overseen several prefeasibility studies, including the Preapproval Study of the Sappes Gold Project in northern Greece and the Prefeasibility Study of the Mt Holland Gold Project in Western Australia. David has also independently acquired mineral projects in three different jurisdictions and successfully sold each of them to listed companies on the ASX or AIM. Experienced in field operations in Australia, China, Greece, PNG, Indonesia, Austria, Philippines and the Fiji Islands.

Patrick Elliott Non-executive Director

Pat is an experienced resources and industrial company director. In a career spanning over 45 years, he has held senior executive positions with Consolidated Gold Fields (Australia) Limited and Morgan Grenfell Australia Limited. Pat has an MBA in Mineral Economics from Macquarie University, and a B Comm from the University of New South Wales. He has extensive management experience in a range of fields including manufacturing, mineral exploration and oil and gas exploration. Pat is currently Executive Chairman of Argonaut Resources NL (an ASX-listed copper explorer), Cap-XX Limited and Tamboran Resources Ltd

(an unlisted Australian oil and gas explorer). He is also a Non-Executive Director of Kirrama Resources Limited (an unlisted explorer and developer of chromite and manganese projects in Madagascar).

Nicholas Walley
Non-executive Director

Nicholas has a business background spanning multiple industries including agriculture, property, construction, plant hire, food and beverage packaging, leisure and charitable work. Importantly, Nicholas has critical skills in logistics, infrastructure, organisational management and sales. The Board believes Mr Walley's personal success in business and his knowledge and experience with the UK legal requirements will benefit Rockfire in its growth plans. Nicholas is chairman of the Remuneration Committee.

ROCKFIRE

APPENDIX B

Rockfire Resources plc (“Rockfire” or “the Company”)

Corporate Governance Policy 2021

The Board recognises the importance of good corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value and has adopted the QCA Corporate Governance Code issued in April 2018.

Set out below is an explanation at a high level of how the Company complies with the principles of the QCA Code.

PRINCIPLE 1.

Establish a strategy and business model which promote long - term value for shareholders.

Rockfire is a resources exploration company with a board and management experienced in both corporate and technical know-how.

AIM

To discover, develop and mine economic deposits of gold, copper and silver.

PURPOSE

The purpose of the business is to create a successful, value-driven and growth-orientated business to maximise shareholder value.

BUSINESS MODEL

The Company shall be run as a commercially-minded company, seeking to return an increase on investment capital to shareholders. Proven methods of raising capital through recognised means available to publicly-listed companies will be relied on to fund exploration efforts and administrative costs. Commercially viable strategies will be considered to create value from the Company assets, including further exploration activities, acquisitions, development, mining, joint venture, farm-out or sale of assets.

STRATEGY

The means to achieve the strategy include;

- Focus the business of exploration on world-class mineralised domains
- Establish strict criteria for selecting tenements/projects for acquisition
- Utilise industry-recognised methods of exploration in series or in parallel
- Develop a “results-driven” exploration approach to on-going exploration effort and expense
- Explore, define resources and develop/sell projects achieving success
- Implement a disciplined review process to monitor expenditure
- Consider commercial options for projects which no longer meet the criteria established by the Company

PRINCIPLE 2.

Seek to understand and meet shareholder needs and expectations.

NEEDS OF SHAREHOLDERS

The principal need of a shareholder is to achieve a return on their investment.

EXPECTATIONS OF SHAREHOLDERS

A shareholder can reasonably expect the Company to;

- deliver on its obligations and commitments to Principal 1.
- ensure its management and directors act with integrity and professionalism in running the Company
- direct the expenditure of monies on appropriate exploration methods and to ensure expenditure is justified and accountable
- provide enough flow of information on exploration progress to allow the shareholder to make informed decisions on their investment
- publish clear and concise announcements, with minimal technical complexity
- have open access to the Board or CEO to provide clarification

We seek to engage with our shareholders through updates to the market via regulatory news flow ('RNS'), on matters of a material substance and regulatory nature. Whilst being mindful of the requirements of the AIM Rules and Market Abuse Regulations the Board may engage with shareholders directly from time to time in relation to questions that they may have and other matters.

The Company's AGM also provides an opportunity for shareholders to ask questions during the formal business of the meeting and informally following the meeting.

The Board shall ensure that the voting decisions of shareholders at the AGM are reviewed and monitored and that approvals sought at the Company's AGM will be in line with the recommended corporate guidelines of the QCA Code. Shareholder enquiries should be emailed to: info@rockfireresources.com.

PRINCIPLE 3.

Consider wider stakeholder and social responsibilities and their implications for long term success.

ENGAGEMENT

The Board believes that engaging with stakeholders strengthens relationships and helps make better business decisions to deliver on commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and to enable the Board to understand and consider these issues in decision-making. Aside from shareholders, suppliers and customers, our workforce is one of the most important stakeholder groups and the Board therefore closely monitors their feedback to ensure alignment of interests.

WORKFORCE

The Board has established a safe and healthy work environment, which complies with the relevant Occupational Health and Safety laws. It has tried to ensure that the workforce is provided with enough training to develop the appropriate skills and knowledge to complete the tasks requested of them.

The Company shall;

- adhere to the relevant laws, rules and regulations within the jurisdictions in which it operates
- ensure technical reporting obligations are submitted on time

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- complete environmental management reports for the government
 - comply with site-clearing and rehabilitation guidelines and expectations on a “best practice” approach

TRADITIONAL LANDOWNERS

The Company shall respect traditional lands, customs and culture on all land with registered traditional ownership. Heritage clearance, as required by law shall be sought and honoured. Where appropriate, traditional landowners shall be consulted with and included in any opportunities for employment on an equal basis.

LANDOWNERS & PASTORALISTS

The Company shall respect and acknowledge the rights of landowners and leaseholders. The Company shall work with landowners in an ethical manner and where possible, shall offer opportunity to the landowner to participate in the work program.

CONTRACTORS & SUPPLIERS

- For the sake of Occupational Health & Safety, all contractors and sub-contractors shall be treated in the same manner as employees
- Independent contractors will be required to provide their own PPE (personal protective equipment) whilst working on any of the Company sites
- All Contractors shall be subject to a Site Induction on their first visit to any of the sites being explored by the Company
- All independent contractors will be required to carry their own Public Liability and Workers Compensation Insurances
- To ensure a safe and productive work environment, the appropriate Occupational Health & Safety requirements, induction procedures and safety precautions shall be established by the Company
- The Company has designated an appropriately experienced and qualified representative to act as a “Liaison Officer” between contractors and the Company.

PRINCIPLE 4.

Embed effective risk management, considering both opportunities and threats, throughout the organisation.

To assist the risk management function, the Company has established a **Risk Management Policy**, which is available on the Company’s website https://www.rockfireresources.com/wp-content/uploads/2018/09/ROCK-Risk-Management-Policy_2018.pdf . The Risk Management Policy is reviewed annually. Management reports regularly to the Board on its management of material business risks.

INTERNAL CONTROL

The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by management, the Audit Committee and the Board to ensure an ongoing assessment of significant risks facing the Company and the Group.

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to its business plan.

The Board is responsible for reviewing and approving overall Company strategy, approving profit & loss and capital budgets & plans, and for determining the financial structure of the Company including treasury, tax and dividend policy. Relevant information is circulated to the Directors in advance of meetings. Monthly results and variances from plans and forecasts are reported to the Board.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper operational and financial controls.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Close management of day-to-day activities of the Group by the Executive Directors;
 - An organisational structure with defined levels of responsibility, which promotes efficient and commercial decision-making while minimising risks;
 - Annual budgeting process which is approved and periodically reviewed by the Board;
 - Detailed monthly reporting of performance against budget; and
- central control over key areas such as capital expenditure and banking facilities. There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover financial performance, cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and forecasts are regularly revised considering actual performance.

PRINCIPLE 5.

Maintain the Board as a well-functioning, balanced team led by the Chair.

The Board Charter is available on the website on https://www.rockfireresources.com/wp-content/uploads/2018/09/Rockfire-Resources-PLC-Board-Charter_2018.pdf.

BOARD COMPOSITION

The Board comprises the Executive Chairman, one Executive Director, and three Non-executive Directors.

The biographies of the Board members can be found on the Company's website on <https://www.rockfireresources.com/company/board-of-directors/>.

The Board is satisfied that it has a suitable balance between independence and

knowledge of the Group and its operations to discharge its duties and responsibilities effectively. The Board receives daily updates from the management team through phone calls, face-to-face Zoom meetings and emails. All Directors use their independent judgement and to challenge all matters, whether strategic or operational and to present ideas and concepts to the Board for consideration.

All Directors are expected to devote the necessary time commitments required by their position and as a minimum, are expected to attend the four regular Board meetings held annually. The Board meets outside of these meetings on an ad hoc basis as necessary. The Directors are in regular contact with each other. The CEO/MD, David Price is authorised and responsible for the management of the organisation and its operations by way of delegated authority from the Board, or as expressed in the organisation's constitution. This delegation of authority generally includes responsibility for:

Developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;

Ensuring the organisation's operations and business are within the parameters set by the Board from time to time and that the Board is kept informed of material developments in the organisation's affairs, operations and business;

Where proposed transactions, commitments or arrangements exceed threshold parameters set by the Board, referring the matter to the Board for its consideration and approval;

Identifying and managing operational and corporate risks for the organisation and, where those risks could have a material impact on the organisation, formulating strategies for managing and mitigating those risks, including for consideration and endorsement (as applicable) by the Board;

Managing the organisation's financial and other reporting mechanisms, and control and monitoring systems, to ensure that these mechanisms and systems capture all relevant material information on a timely basis, are functioning effectively and are founded on a sound basis of prudential risk management;

Ensuring that the Board is provided with sufficient accurate information on a timely basis in regard to the organisation, its operations, business and affairs, and in particular with respect to the organisation's corporate performance, financial condition, operations and prospects, so as to reasonably position the Board to fulfil its governance responsibilities.

The role of David Price as MD/CEO is a full-time role.

The Chairman, Gordon Hart, is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting Board meetings and conducting shareholder meetings. The Chairman should facilitate the effective contribution of all Directors

and promote constructive and respectful relations between Board members and management. The role of Gordon Hart as Chairman is semi executive and his time commitment varies with the needs of the Company.

The Audit Committee is scheduled to meet at least twice a year but may meet more frequently regarding the Company's audit or other issues. The Remuneration Committee is scheduled to meet at least once a year. The Company will report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. This information is disclosed in the Company's Annual Report. Formal agendas, papers and reports are sent to the Directors in a timely manner, prior to the Board meetings.

Membership of the Board, its activities, performance and composition are subject to periodic review.

CONFLICTS OF INTEREST

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to, and where appropriate, agreed with the rest of the Board.

PRINCIPLE 6.

Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities.

The Board Charter is available on the website https://www.rockfireresources.com/wp-content/uploads/2018/09/Rockfire-Resources-PLC-Board-Charter_2018.pdf

Biographical details of the directors can be found on <https://www.rockfireresources.com/company/board-of-directors/>.

As part of the Company's commitment to its sound corporate governance, each director is required to undertake at least one training program annually to maintain or improve his/her skill level. Such training may include attendance at conferences or webinars, formal training or technical research.

Suitability

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board is satisfied that given the size and stage of development of the Group, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines.

APPOINTMENT, REMOVAL & RE-ELECTION

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

There is no separate nomination committee. The Board considers that the Company is not of sufficient size and level of activities to justify having a nomination committee. However, this will be kept under regular review.

The Company's articles of association require that one-third of the Directors must stand for re-election by shareholders annually in rotation and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

INDEPENDENT ADVICE

Each Director can take independent professional advice in the furtherance of his duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Mr Graeme Hogan has been appointed Company Secretary and works closely with the Chairman. WSC Group (Australian Financial), One Advisory (UK Financial), Thursfieds (UK Legal), and Terra Search (Australian Technical) are all advisers to Rockfire. All Directors have access to these advisers.

PRINCIPLE 7.

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board Charter is available on the website on https://www.rockfireresources.com/wp-content/uploads/2018/09/Rockfire-Resources-PLC-Board-Charter_2018.pdf

APPRAISAL

The Board currently constitutes one Executive Director, the Executive Chairman and three Non-executive Directors.

Following additional appointment(s) evaluation will take place as follows.

The Chairman will assess the individual contributions of each member of the Board to ensure that:

- their contribution is relevant and effective;
- they are committed; and
- where relevant, they have maintained their independence.

The evaluation of the Board shall be carried out annually and on a three-yearly cycle the evaluations may be facilitated by an independent evaluator. The internal reviews will generally include a questionnaire completed by each Board member. The Chairman will typically take leadership of this process and allow for feedback from other Board members about their performance. The Chairman will collate feedback in a report and facilitate discussion on its contents.

The Board review will entail, inter alia:

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- Board's mission and goals;
 - Board composition and effectiveness;
 - Performance against strategic plan;
 - Board's protocols and processes;
 - Adherence to the code of conduct;
 - Relationships with stakeholders; and
 - Continuous professional learning of Board members.

The Remuneration Committee will compare the performance of the Board with the requirements of its charter, the Company vision and KPIs.

Succession planning is considered by the Board as a whole. The Board will annually review and make recommendations relating to talent management and succession planning for the Board and the CEO. As the Company grows both organically and inorganically, the Company will require additional skills to ensure Rockfire has an appropriate Board. The future composition of the Board will depend on the speed of growth and the trajectory that growth takes.

PRINCIPLE 8.

Promote a corporate culture that is based on ethical values and behaviours.

The Board has adopted a Code of Conduct which is available on the Website.

CODE OF CONDUCT

It is the Board's view that the Company's corporate culture is consistent with its objectives, strategy and business model. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board has adopted a Code of Conduct which provides a framework for ethical decision-making and actions across the Group. The Code of Conduct reiterates the Group's commitment to integrity and fair dealing in its business affairs and its duty of care to all employees, contractors and stakeholders.

Each Board members adherence to the Group's Code of Conduct is assessed as part of the annual Board review and appraisal.

Employees are assessed on their performance and their adherence to The Code of Conduct through their annual performance review.

ANTI-CORRUPTION AND BRIBERY

The Board has adopted an anti-corruption and bribery policy to further ensure honest and ethical conduct of employees. The Company has a zero-tolerance approach to bribery and corruption.

The Company Secretary is responsible for monitoring compliance with and maintaining the anti-corruption and bribery policy.

The Company also provides periodic training to employees to ensure they are aware of their responsibilities in relation to bribery and corruption.

PRINCIPLE 9.

Maintain governance structures and processes that are fit for purpose and support good decision making by the board.

BOARD PROGRAMME

The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Company in all matters except those that are reserved for specific shareholder approval.

The Board sets direction for the Company through a formal schedule of matters reserved for its decision.

The Board meets at least four times each year in accordance with its scheduled meeting calendar and maintains regular dialogue between Board members.

Prior to the start of each financial year, a schedule of dates for that year's Board meetings is compiled. This may be supplemented by additional meetings as and when required.

The Board and its committees receive appropriate and timely information prior to each meeting, with a formal agenda being produced for each meeting, and Board papers distributed several days before meetings take place.

Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by the Executive Directors.

ROLES & RESPONSIBILITIES

There is a clear division of responsibility at the head of the Company.

THE CHAIRMAN IS RESPONSIBLE FOR:

- running the business of the Board;
- setting the agenda for Board meetings;
- ensuring appropriate strategic focus and direction;
- facilitating effective contribution from all Directors; and
- promoting constructive and respectful relations between the Board and management.

THE CHIEF EXECUTIVE OFFICER IS RESPONSIBLE FOR:

- proposing the strategic focus to the Board;

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- implementing strategy once it has been approved by the Board;
 - overseeing the management of the Company; and
 - where proposed transactions, commitments or arrangements exceed the thresholds set by the Board to refer the matter to the Board for its consideration, review and approval.

The Board is supported by the Audit and Remuneration committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

The Audit Committee's primary function is to assist the Board in fulfilling its responsibilities by reviewing the:

- Quality and integrity of financial reporting.
- Systems of internal control which management and the Board have established to safeguard the Group's financial and physical assets and facilitate compliance with relevant statutory and regulatory requirements.
- Effectiveness and independence of the external audit process.
- Quality and relevance of financial and non-financial information provided to management and the Board on which decisions will be based.

The Remuneration Committee acts as the Board's committee to oversee employment and remuneration contracts for management and Directors.

The Remuneration Committee's primary function is to assist the Board in fulfilling its responsibilities by reviewing the:

Remuneration arrangements

The remuneration arrangements should: -

- (a) Be transparent and promote effective engagement with shareholders and the workforce; and
- (b) Avoid complexity and their rationale and operation should be easily understood; and
- (c) Ensure reputational and other risks from excessive rewards and behavioural risks are identified and mitigated; and
- (d) Identify and explain the range of possible values of rewards to individual Directors and any other limits or discretions when approving the policy; and
- (e) Clearly link individual awards, the delivery of strategy and the long-term performance of the Group. Poor performance should not be rewarded; and
- (f) Ensure incentive schemes should drive behaviours consistent with Group purpose, values and strategy.

Remuneration composition

Total remuneration frameworks will have three components: -

- (a) fixed remuneration which will include fixed based salary paid in cash,

superannuation contributions and non-monetary benefits (such as motor vehicle benefits) where it does not create any additional costs to the Group but adds additional value to the executive; and

- (b) short-term performance incentives 'at risk' pay elements. These incentives should be designed to align the targets of the Group with the performance hurdles. These incentives are paid in cash. These incentives are partly dependent on defined exploration objectives being met with the remainder paid at the discretion of the Board after receiving a recommendation from the Committee; and
- (c) long-term incentive plans which include long service leave and share-based payments. The share-based incentives will be linked to increases in shareholders' value. These rewards may be in the form of options or performance rights in the Group.

The roles of the Audit and Remuneration Committees are available on the website at <https://www.rockfireresources.com/wp-content/uploads/2018/09/Roles-of-Audit-and-Remuneration-Committees.pdf>.

All matters that have a material impact upon the Company or any of its subsidiaries will be referred to the Board. However, below is a schedule of matters reserved specifically for the decision of the Board or a duly authorized committee thereof. The Board has the authority to obtain outside legal or other independent advice at the expense of the Company.

FINANCIAL MATTERS

- Approval of full year and half year results announcements.
- Adoption of significant change in accounting policies or practices.
- Approval of all circulars to shareholders.
- Changes relating to the capital structure of the Company.
- Approval of increases in share capital of the Company.
- Approval of all guarantees given by the Company.

CORPORATE MATTERS

- Convening general meetings of the Company.
- Recommending to shareholders the approval of alterations to the Memorandum and Articles of Association of the Company.
- Making any take-over offer for another company or other companies within the City Code on Takeovers and Mergers and considering a response to any such approaches to the Company.
- Annual report

APPOINTMENTS AND STRUCTURE

- Appointment and removal of the Chairman.
- Appointment, removal and re-election of the Directors.
- Appointment and removal of the Company Secretary.
- Reviewing succession planning for the Board and senior management of the Group.
- Carry out a formal and rigorous review of its own performance and that of its committees and individual Directors on an annual basis.

BUDGETS, CONTRACTS AND BUSINESS DEVELOPMENT

- Approval of strategic plans of the Company.
- Approval of the annual budget of the Company.
- Approval of significant changes in treasury and foreign currency policy of the Company.
- Approval of material contracts.
- Significant changes to the company's activities to include, acquisitions or divestments or entry into a new foreign jurisdiction or exit from an existing one.
- Internal controls

TO RECEIVE REPORTS DIRECTLY FROM THE CHIEF EXECUTIVE OFFICER ON THE GROUP'S INTERNAL CONTROL SYSTEMS AND TO CONSIDER AMONGST OTHERS:

- Changes in the nature and extent of significant risks to the business.
- The key risks and how these are evaluated and managed.

TO REVIEW ANNUALLY THE EFFECTIVENESS OF THE COMPANY'S INTERNAL CONTROL SYSTEMS AND CONSIDER:

- For identified weaknesses, the actions being taken and the timeliness of rectification.
- The effectiveness and output of the management's review process.
- Incidence of major control weaknesses, their cause and potential impact on the business.
- To report to shareholders on the review of the internal control systems.

BOARD COMMITTEES

- Approving terms of reference for Board committees and agreeing division of responsibility between Chairman and Chief Executive Officer.
- Recommendation to shareholders to appoint or remove the Company's auditors including approval of their fees.
- Appointment or removal of the Company's principal advisors.
- Approval of major changes in employee share and incentive schemes.
- Approval of the Group's Health and Safety Policy.
- Approval of the Group's Environmental Policy.

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- Monitoring of the Directors and Officers Liability Insurance.
 - Agreeing fee levels for Non-executive Directors.

As the Group grows and develops the Board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Group

PRINCIPLE 10.

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company has adopted a Communications Policy which can be viewed on the Company's website at https://www.rockfireresources.com/wp-content/uploads/2018/09/Rockfire-Resources-PLC-Shareholder-Communications-Policy_2018.pdf

COMMUNICATION

The Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position.

The Company communicates with shareholders through the Annual Report, full-year and half-year announcements, the Annual General Meeting ('AGM') and one-to-one meetings with large existing or potential new shareholders.

The Company announces significant developments which are disseminated via various outlets including, the London Stock Exchange's Regulatory News Service (RNS).

An investor relations manager was appointed in November 2019 and remains a key part of encouraging shareholder interaction and listening to feedback. A range of corporate information (including all Company announcements, presentations, historical annual reports and notices of general meetings for the last 5 years, as well as results of AGMs) is also available to shareholders, investors and the public on the Company's corporate website, www.rockfireresources.com.

The Board receives regular updates on the views of shareholders through briefings and reports from the investor relations manager, the CEO and the Company's brokers. The Company communicates with investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

The outcomes of all historical AGM's and GM's can be viewed on the company website as well as all RNS's made by the company on <https://www.rockfireresources.com/news-reports/company-announcements/>

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