

## CORPORATE GOVERNANCE STATEMENT

Date of last review and Board approval: 31 March 2021.

This Corporate Governance Statement discloses the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a suite of Corporate Governance policies which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance policies are available on the Company's website at <https://www.bluestarhelium.com/corporate/governance/>.

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Board is responsible for the corporate governance of the Company.</p> <p>(b) The Board has adopted a Board Charter which outlines the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws. Pursuant to the Board Charter, the Board assumes responsibilities including, but not limited to the following:</p> <ul style="list-style-type: none"> <li>(i) considering and approving the strategy of the Company and its related companies (<b>Group</b>);</li> <li>(ii) adopting an annual budget and monitoring financial performance including approving the annual and half-year financial statements and reports;</li> <li>(iii) approving major investments and monitoring the return on those investments;</li> <li>(iv) monitoring the adequacy, appropriateness and operation of internal controls including reviewing and approving the Group's compliance systems and corporate governance principles;</li> <li>(v) providing continuous disclosure of information to the investment community, and making available information shareholders can</li> </ul>

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		<p>reasonably require to make informed assessments of the Group's prospects;</p> <ul style="list-style-type: none"> <li>(vi) reviewing and monitoring significant business risks and oversights and how they are managed;</li> <li>(vii) monitoring the conduct of the relationship with key regulators to meet the Group's obligations;</li> <li>(viii) determining delegations to committees, subsidiary boards and management and approving transactions in excess of delegated levels;</li> <li>(ix) appointing and reviewing the performance of the chief executive officer (<b>CEO</b>) of the Company and from time to time any portfolio companies of the Group, including overseeing the remuneration, development and succession planning for the chief executive officers and management, while overseeing the operation of appropriate human resource management systems including remuneration;</li> <li>(x) assessing its own performance and that of individual Directors;</li> <li>(xi) selecting and appointing new Directors;</li> <li>(xii) considering, proving and endorsing major policies of the organisation including a code of conduct which promotes ethical behaviour and social responsibility;</li> <li>(xiii) overseeing the implementation of appropriate work health and safety systems; and</li> <li>(xiv) protecting and overseeing the enhancement of the reputation of the Company.</li> </ul> <p>A copy of the Board Charter is available on the Company's website at the following URL: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a></p> <p>Pursuant to the Board Charter, the Board has delegated specific authorities to the CEO. Subject to these delegated matters, the CEO is authorised to exercise all the powers of the Directors, except with respect to the following:</p> <ul style="list-style-type: none"> <li>• approval of major elements of strategy including any significant change in the direction of that strategy;</li> </ul>

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		<ul style="list-style-type: none"> <li>• approvals above delegated levels of credit limits, country risk exposures, equity risk limits, market risk limits, loans and encumbrances, equity investments and underwriting risk;</li> <li>• capital expenditure in excess of delegated levels or expenditure outside the ordinary course of business;</li> <li>• certain remuneration matters including material changes to remuneration policies;</li> <li>• adoption of the Company's annual budget;</li> <li>• approval of the interim and final accounts and related reports to the ASX;</li> <li>• specific matters in relation to continuous disclosure as defined in the Continuous Disclosure Policy; and</li> <li>• other matters as the Board may determine from time to time.</li> </ul> <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis. The Company intends to review the membership of the Board, and the Board Charter at least once every year to determine its ongoing appropriateness.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Company will undertake backgrounds checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any material adverse information revealed by these checks is released to security holders prior to the general meeting at which they can be elected.</p> <p>(b) When an individual is nominated to be a director, details of their relevant professional history and qualifications will be made accessible to the security holders in the Company.</p>
<p><b>Recommendation 1.3</b></p>		

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A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Directors and senior executives of the Company were given letters of appointment and/or service agreements prior to their engagement with the Company.
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	The Company Secretary, Mrs Amanda Wilton-Heald, was appointed by and is responsible to the Board through the Chairman.
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress in achieving them; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p>	<p>NO</p> <p>N/A</p> <p>N/A</p>	Given the current size and stage of development of the Company, the Board has not considered it appropriate to adopt a formal diversity policy. As the Company continues to develop, the Board will re-evaluate whether the adoption of a formal diversity policy is appropriate.
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p>		<p>(a) The Chairman is responsible for establishing processes for the review of the performance of individual Directors, Board Committees and the</p>

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<p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process or in respect of that period.</p>	<p>NO</p> <p>N/A</p>	<p>Board as a whole and implementation of such processes. The performance evaluation includes an examination of the performance of the Board and individual Directors as against the Board Charter and may establish goals and recommendations for improvement to Board performance.</p> <p>(b) The Chairman has not yet undertaken a formal performance appraisal of each senior executive during the current reporting period.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>	<p>NO</p> <p>N/A</p>	<p>(a) The Chairman is responsible for periodically reviewing and making recommendations to the Board regarding the performance of the Company's senior executives.</p> <p>(b) The Company, through the Chairman, has not yet undertaken a formal performance appraisal of each senior executive during the current reporting period.</p>
<p><b>Principle 2: Structure the board to be effective and add value</b></p>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	<p>NO</p>	

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(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	YES	(b) Due to the current size and stage of development of the Company, the Board does not consider that it is appropriate to adopt a separate nomination committee to oversee the appointment of Directors or implement a corresponding nomination committee charter. The appointment of new Directors and undertaking appropriate checks before such appointments will be the responsibility of the entire Board. The Board will ensure that all material information to a decision on whether or not to elect or re-elect a Director is provided to security holders.
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	NO	<p>The Board strives to ensure that it is comprised of Directors with a blend of skills, experience and attributes appropriate for the Company and its business. However, given the current size and stage of development of the Company, the Board has not considered it necessary to adopt and disclose a formal board matrix to the market.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	YES	<p>(a) The Board has reviewed the position and associations of each of the Directors and have determined that none of the current Directors of the Company are independent Directors. The Board notes that during of the reporting period, Mr Michael Pollak resigned. In making this determination, the Board has had regard to the requirements for independence in Principle 2 of the ASX Corporate Governance Principles, and other facts, information and circumstances that the Board considers relevant. Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.</p> <p>(b) The Directors of the Company were appointed on the following dates:</p> <p>(i) Mr Ross Warner - 23 March 2018  (ii) Ms Joanne Kendrick - 23 March 2018  (iii) Mr Trent Spry - 29 April 2019  (iv) Mr Michael Pollak - 23 March 2018 (resigned 25 March 2020)</p>

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<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>The Board does not currently consider an independent majority of the Board to be appropriate, as it is of the opinion that the Board should consist of at least two (2) executive Directors to ensure that the Company is effectively managed. The Board has taken the following steps to structure the Board to add value despite not already having an independent majority of directors:</p> <ul style="list-style-type: none"> <li>• membership of the Board is focused on providing the Company with a broad base of industry skills and experiences considered necessary to fulfil the business objectives of the Company; and</li> <li>• membership of the Board is reviewed on an on-going basis by the Chairman of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's business and its objectives.</li> </ul>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	<p>The Executive Chairman of the Company, Mr Ross Warner, is not considered to be an independent director. The Company's equivalent of a CEO is Ms. Joanne Kendrick, Managing Director.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	NO	<p>The Company has an induction programme for each new Director upon appointment. This includes meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.</p> <p>On an ongoing basis, and subject to approval of the Chairman, Directors may request and undertake training and professional development, as appropriate, at the Company's expense.</p>
<p><b><i>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</i></b></p>		
<p><b>Recommendation 3.1</b></p>		

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A listed entity should articulate and disclose its values.	NO	The Company is preparing a values statement which will appear on its website.
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	YES	<p>(a) The Company has adopted a formal Code of Conduct.</p> <p>(b) The Code of Conduct is available on the Company's website at the following URL: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a></p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	YES	<p>(a) The Company has adopted a Whistleblower Policy.</p> <p>(b) The Whistleblower Policy is available on the Company's website at the following URL: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a></p>
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	NO	<p>(a) The Company is preparing an Anti-Bribery and Corruption Policy and it will appear on the Company's website.</p>
<b>Principle 4: Safeguard the integrity of corporate reports</b>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p>	NO	



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<p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>YES</p>	<p>(b) The Company, considering its current size and stage of development, does not have a separately constituted audit committee. Accordingly, the responsibility of overseeing audit process of the Company rests with the entire Board. The Company in general meetings is responsible for the appointment of external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors. As the Company grows, the Board will re-evaluate whether establishing a separately constituted audit committee is appropriate.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p>	<p>The Board received a declaration from its CEO equivalent and CFO equivalent before it approved the Company's financial statements for all financial periods since and including the quarter ending 30 June 2020.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>YES</p>	<p>The Board carries out the following processes to independently verify and safeguard the integrity of its periodic corporate reporting:</p> <ul style="list-style-type: none"> <li>• regular review of financial reports;</li> <li>• variance analysis; and</li> </ul>

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		<ul style="list-style-type: none"> <li>CEO equivalent and CFO equivalent sign-off on quarterly, half-yearly and annual financial reports.</li> </ul>
<b>Principle 5: Make timely and balanced disclosure</b>		
<b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	YES	The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law, including the Corporations Act and the ASX Listing Rules. A copy of the Company's Continuous Disclosure Policy is available at the following website: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a>
<b>Recommendation 5.2</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	The Board is on the ASX's announcement distribution list.
<b>Recommendation 5.3</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	Presentations are released on the ASX Market Announcements Platform ahead of the presentation being given.
<b>Principle 6: Respect the rights of security holders</b>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	YES	The Company provides information about itself and its governance to its investors on the Company's website via the following URL: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a> . The Company will regularly update the website and contents therein as deemed necessary.
<b>Recommendation 6.2</b> A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	NO	The Company does not have a formal investor relations program. However, it engages an independent investor relations advisor to assist the Company in its communications with investors.
<b>Recommendation 6.3</b>	NO	

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<p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>		<p>The Company, due to its current size and stage of development, does not have a formal shareholder communications policy. Despite this, the Company intends to ensure that information is adequately communicated to shareholders through:</p> <ul style="list-style-type: none"> <li>• continuous disclosure of all relevant financial and other information to the ASX;</li> <li>• publishing information on the Company's website at <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a>;</li> <li>• periodic disclosure through the Annual Report and the half year financial report;</li> <li>• notice of meetings and explanatory material; and</li> <li>• the AGM and other general meetings.</li> </ul> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary, establish a formal shareholders' communication policy.</p> <p>During the Covid 19 pandemic the Company held virtual general meetings to facilitate participation by its shareholders.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>YES</p>	<p>All substantive resolutions, including any resolutions that relate to ASX listing rules, at a meeting of security holders are decided by a poll.</p>
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>YES</p>	<p>The Company encourages shareholders to register with the Company for receipt of announcements and updates electronically.</p> <p>The Company encourages shareholders to register with its security registry for relevant communications electronically.</p>
<p><b><i>Principle 7: Recognise and manage risk</i></b></p>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p>	<p>NO</p>	

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<p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>YES</p>	<p>(b) The Company, due to its current size and stage of development, does not have a separately constituted risk committee. As the Company develops, the Board intends to review its practices, and if deemed necessary, establish a risk committee. The Board is currently responsible for the oversight and management of all material business, operational and financial risks.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>NO</p>	<p>(a) The Company, due to its current size and stage of development did not undertake a formal review of the Company's risk management framework during the reporting period.</p> <p>(b) The Board is committed to reviewing the risk management policies of the Company in the future. However, the Board does not consider that disclosure of when these reviews takes place is necessary.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving</p>	<p>NO</p> <p>N/A</p>	<p>(a) The Company has not implemented an internal audit function as the cost would significantly outweigh the benefits. The Board acknowledges that it is responsible for the overall internal control framework but recognises</p>



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<p>executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>having regard to the input and value to the Company of the contribution by that Director. The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company. The Board is seeking independent advice on these matters.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>YES</p>	<p>The Company disclosed its remuneration policy in the 2020 Annual Report and intends to disclose its updated remuneration policy in the next Annual Report.</p>
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company has a Share Trading Policy that prohibits directors, officers and employees from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration scheme.</p> <p>(b) A copy of the Share Trading Policy is available on the Company's website at the following URL: <a href="https://www.bluestarhelium.com/corporate/governance/">https://www.bluestarhelium.com/corporate/governance/</a></p>