



2019 CORPORATE GOVERNANCE STATEMENT

| PRINCIPLE | COMPLIED | COMMENT |
|---|------------|---|
| 1 – Lay solid foundations for management and oversight | | |
| 1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ✓ ✓ | <p>The Board has adopted a formal Board Charter (disclosed on the Company’s website) which sets out those matters reserved for the Board and those delegated to management.</p> <p>The Board’s functions include: developing and setting the Company’s strategic direction in conjunction with management, overall review of performance against targets and objectives, reviewing management’s performance, ensuring the Company has adequate systems and internal controls together with appropriate monitoring of compliance activities, approval and compliance with policies including health, safety and environment and reporting to shareholders on the direction and performance of the Company.</p> <p>The Board has also established various committees to assist in carrying out its duties. These Committees include the Audit Committee and the Remuneration and Nomination Committee. Senior management are invited to attend these meetings as required by the Committee members.</p> <p>The Managing Director/CEO, supported by members of senior management, is responsible for the day-to-day management of the Company’s affairs and the implementation of strategy and policy initiatives.</p> |
| 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ✓ ✓ | <p>Before the Company proposes to appointment a new Director, Executive or Non-Executive, appropriate checks are undertaken which include reviewing the persons character, experience and education. Interviews with potential candidates are conducted by existing Directors to make sure that the candidate’s experience, personality and ethics are an appropriate fit for the Company.</p> <p>A profile of each Director, including their relevant qualifications, experience and the skills they bring to the Board are detailed on the Company website and in the Annual Report. Details of any other listed company directorships currently held in the last 3 years are also provided in the Annual Report.</p> |
| 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ✓ | Written agreements are in place with each Director and Senior Executive setting out the terms of their appointment. Key terms of the Senior Executives’ employment agreements are included in the Annual Report. |
| 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ✓ | <p>The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and a reporting function to the Managing Director in relation to day to day operational and management matters.</p> <p>The Company Secretary has a direct line of communication with the Chairman and all Directors and is responsible for supporting the proper functioning of the Board which includes, but is not limited to, providing advice on governance and procedural issues and the preparation of Board papers and minutes.</p> <p>The Company Secretary also communicates with the ASX and ASIC on regulatory matters and assists with general shareholder communications.</p> |
| 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant | ✓ | The Board has adopted a Diversity Policy which outlines the Company’s commitment to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees. The Board will |

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TROY RESOURCES LIMITED

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|---|---------------------------------------|--|-------------------------|--------------------------|---------------------------|-------------------------|-------------------------|---------------------------|-------|-----------------|-----------------|---|---|---|--------------------------------|-----------------|-----------------|---|---|---|-------|--------------------|---------------------|-----|-----|---------------|
| <p>committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>✓</p> <p>X</p> <p>✓</p> <p>n/a</p> | <p>proactively monitor the Company's performance in meeting the standards and policies outlined in this Policy. The Company has not set specific targets for gender diversity at this time.</p> <p>A copy of the Diversity Policy is on the Company's website.</p> <p>Measurable objectives in relation to the Diversity Policy have not been established by the Board; however, the Company makes its appointment decisions based on merit, by assessing whether a person's skills and experience are appropriate for the particular role being filled. The Company's Policy strictly prohibits any discrimination based on gender, age, ethnicity, cultural background, sexual orientation or preference. The Company also believes in employing people from the local community as far as possible for the roles being filled given the skill set available.</p> <p>The Group workforce gender and location profile as at 30 June 2019 is set out in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th>PROPORTION OF WOMEN 2019</th> <th>PROPORTION OF WOMEN 2018</th> <th>EMPLOYED IN GUYANA 2019</th> <th>GUYANIANS EMPLOYED 2019</th> <th>AMERINDIANS EMPLOYED 2019</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>0 out of 4 (0%)</td> <td>0 out of 3 (0%)</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Senior Management ¹</td> <td>0 out of 2 (0%)</td> <td>0 out of 3 (0%)</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other</td> <td>33 out of 382 (9%)</td> <td>42 out of 422 (10%)</td> <td>379</td> <td>356</td> <td>42 out of 382</td> </tr> </tbody> </table> <p>¹ Senior Management in this section excludes the Managing Director/CEO (who is included within Board) and includes the Chief Financial Officer, Company Secretary, Finance & Administration Manager – Guyana and Mine Manager – Guyana. The roles of Chief Financial Officer and Company Secretary were undertaken by the same person in 2019 & 2018 and there was no Finance & Administration Manager – Guyana in 2019.</p> | | PROPORTION OF WOMEN 2019 | PROPORTION OF WOMEN 2018 | EMPLOYED IN GUYANA 2019 | GUYANIANS EMPLOYED 2019 | AMERINDIANS EMPLOYED 2019 | Board | 0 out of 4 (0%) | 0 out of 3 (0%) | 0 | 0 | 0 | Senior Management ¹ | 0 out of 2 (0%) | 0 out of 3 (0%) | 1 | 0 | 0 | Other | 33 out of 382 (9%) | 42 out of 422 (10%) | 379 | 356 | 42 out of 382 |
| | PROPORTION OF WOMEN 2019 | PROPORTION OF WOMEN 2018 | EMPLOYED IN GUYANA 2019 | GUYANIANS EMPLOYED 2019 | AMERINDIANS EMPLOYED 2019 | | | | | | | | | | | | | | | | | | | | | |
| Board | 0 out of 4 (0%) | 0 out of 3 (0%) | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | |
| Senior Management ¹ | 0 out of 2 (0%) | 0 out of 3 (0%) | 1 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | |
| Other | 33 out of 382 (9%) | 42 out of 422 (10%) | 379 | 356 | 42 out of 382 | | | | | | | | | | | | | | | | | | | | | |
| <p>1.6 A listed entity should:</p> <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 the reporting period in accordance with that process.</p> | <p>✓</p> <p>X</p> | <p>The Board, with the assistance of the Remuneration and Nomination Committee, monitors its performance and the performance of the Directors and Board Committees throughout the year. This may occur through an internal review led by the Chairman or be performed with the assistance of external advisers as considered appropriate.</p> <p>The Chairman is responsible for evaluation of the Board and its members as well as the various Committees. Mr Stern (as Chairman) and the Board regularly discussed the Board composition during the year, considering issues or concerns as they arose. The process for evaluation has remained in-house and informal during the year, with no formal external reviews of the Board, its Committees or any individual Directors being undertaken.</p> | | | | | | | | | | | | | | | | | | | | | | | | |



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| 2.2 | ✓ | <p>The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. It seeks to achieve a Board composition with a balance of diverse attributes relevant to the Company's operations and markets, including skill sets, background and industry experience. In addition to those general skills expected for Board membership, the following skills have also been identified as being necessary: experience in operational management, exploration and geology, mining engineering, project delivery, finance, corporate governance and equity capital markets.</p> <p>A profile of each Director setting out their skills, experience and period of office is set out in the Directors' Report of the 2019 Financial Statements.</p> <p>In addition, the Company provides the following skills matrix:-</p> <table border="1"> <thead> <tr> <th>Skills Required by Company</th> <th>Peter STERN</th> <th>Ken NILSSON</th> <th>John JONES</th> <th>Richard BEAZLEY</th> </tr> </thead> <tbody> <tr> <td>Operational Management</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Exploration and Geology</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Mining Engineering</td> <td></td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Project Delivery</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Finance</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Legal</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Corporate Governance</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Equity and Capital Markets</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table> | Skills Required by Company | Peter STERN | Ken NILSSON | John JONES | Richard BEAZLEY | Operational Management | ✓ | ✓ | | ✓ | Exploration and Geology | ✓ | ✓ | ✓ | ✓ | Mining Engineering | | ✓ | | ✓ | Project Delivery | | ✓ | ✓ | ✓ | Finance | ✓ | ✓ | | ✓ | Legal | ✓ | ✓ | | ✓ | Corporate Governance | ✓ | ✓ | | ✓ | Equity and Capital Markets | ✓ | ✓ | ✓ | ✓ |
| Skills Required by Company | Peter STERN | Ken NILSSON | John JONES | Richard BEAZLEY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operational Management | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Exploration and Geology | ✓ | ✓ | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mining Engineering | | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Delivery | | ✓ | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Legal | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporate Governance | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and Capital Markets | ✓ | ✓ | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.3 | <p>✓</p> <p>✓</p> <p>✓</p> | <p>A list of all directors who held office during the year and whether or not they are considered to be independent is set out below:-</p> <table border="1"> <thead> <tr> <th>NAME</th> <th>POSITION</th> <th>INDEPENDENCE POSITION</th> <th>APPOINTMENT DATE</th> </tr> </thead> <tbody> <tr> <td>Mr Peter Stern</td> <td>Non-Executive Chairman</td> <td>Independent</td> <td>16 June 2017</td> </tr> <tr> <td>Mr Ken Nilsson</td> <td>Managing Director/CEO</td> <td>Not Independent</td> <td>8 May 1998</td> </tr> <tr> <td>Mr John Jones</td> <td>Non-Executive Director</td> <td>Not Independent</td> <td>27 July 1988</td> </tr> <tr> <td>Mr Richard Beazley</td> <td>Non-Executive Director</td> <td>Independent</td> <td>3 October 2018</td> </tr> </tbody> </table> <p>The Board acknowledges that Mr Jones has provided greater than 10 years of service.</p> <p>The Board considers however that Mr Jones acts independently in his discharge of his duties as a non-executive director. Mr Nilsson, as the Company's Managing Director, is not independent.</p> <p>Mr Beazley was appointed a Non-Executive Director on 3 October 2018 and is considered to be an independent director.</p> | NAME | POSITION | INDEPENDENCE POSITION | APPOINTMENT DATE | Mr Peter Stern | Non-Executive Chairman | Independent | 16 June 2017 | Mr Ken Nilsson | Managing Director/CEO | Not Independent | 8 May 1998 | Mr John Jones | Non-Executive Director | Not Independent | 27 July 1988 | Mr Richard Beazley | Non-Executive Director | Independent | 3 October 2018 | | | | | | | | | | | | | | | | | | | | | | | | | |
| NAME | POSITION | INDEPENDENCE POSITION | APPOINTMENT DATE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Peter Stern | Non-Executive Chairman | Independent | 16 June 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Ken Nilsson | Managing Director/CEO | Not Independent | 8 May 1998 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr John Jones | Non-Executive Director | Not Independent | 27 July 1988 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Richard Beazley | Non-Executive Director | Independent | 3 October 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.4 | x | The Board did not comprise a majority of independent directors during the year and does not as at 30 June 2019. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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| 2.5 | ✓ | Mr Stern, an independent non-executive Director, performed the role of Chairman of the Board. Mr Stern does not perform the role of CEO of the Company. | | | | | | | | | | | | | | | |
| 2.6 | ✓ | The Company has procedures in place to provide new Directors with any information they may request and provide direct access to the Company Secretary and Senior Management available to any new appointee. Each new Director receives an induction on the Company's policies and processes on commencement. Existing Directors are encouraged to participate in appropriate professional development to develop and maintain the skills and knowledge needed to perform their role as a Director. All Directors have the right to seek independent professional advice concerning any aspect of the Company's operations or undertakings subject to obtaining prior consent. | | | | | | | | | | | | | | | |
| 3 – Act Ethically and Responsibly | | | | | | | | | | | | | | | | | |
| 3.1 | ✓ ✓ | The Board's policy is that the Directors and management should conduct themselves with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. A formal policy has been adopted by the Board as a guideline for the ethical activities of both the Company and of management. The Board has adopted a Code of Conduct which sets out standards for appropriate ethical and professional behaviour that all Directors, management and employees are encouraged to comply with when dealing with each other, shareholders, customers and the broader community. In addition to the Code of Conduct, the Company also has an Anti-Bribery and Corruption Policy. A copy of the Company's Code of Conduct and the Anti-Bribery and Corruption Policy is available on the Company's website. | | | | | | | | | | | | | | | |
| 4 – Safeguard Integrity in Corporate Reporting | | | | | | | | | | | | | | | | | |
| 4.1 | x | The Board has had a constituted Audit Committee during the entire year. The Committee initially comprised 3 members being all the then directors of the Company, namely Mr Jones (as Committee Chair), Mr Nilsson and Mr Stern. Only Mr Stern is considered to be an independent non-executive Director during the 2018/19 year. Mr Beazley became Chair of the Audit Committee on 9 August 2019 and is also an independent member. Mr Nilsson left the Committee on the same date. Therefore the Company has not been in compliance for the full year with the recommendation that the Chair is independent and that the Committee comprise a majority of independent members. A copy of the Audit Committee Charter is available on the Company's website. Details of each member's attendance at meetings of the Committee are:- <table border="1" data-bbox="1016 1315 1800 1474"> <thead> <tr> <th>Committee Member</th> <th>Meetings Attended</th> <th>Meetings Held</th> </tr> </thead> <tbody> <tr> <td>Mr Jones</td> <td>2</td> <td>2</td> </tr> <tr> <td>Mr Nilsson</td> <td>2</td> <td>2</td> </tr> <tr> <td>Mr Stern</td> <td>2</td> <td>2</td> </tr> <tr> <td>Mr Beazley</td> <td>1</td> <td>1</td> </tr> </tbody> </table> | Committee Member | Meetings Attended | Meetings Held | Mr Jones | 2 | 2 | Mr Nilsson | 2 | 2 | Mr Stern | 2 | 2 | Mr Beazley | 1 | 1 |
| Committee Member | Meetings Attended | Meetings Held | | | | | | | | | | | | | | | |
| Mr Jones | 2 | 2 | | | | | | | | | | | | | | | |
| Mr Nilsson | 2 | 2 | | | | | | | | | | | | | | | |
| Mr Stern | 2 | 2 | | | | | | | | | | | | | | | |
| Mr Beazley | 1 | 1 | | | | | | | | | | | | | | | |



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| <p>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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | n/a | |
| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | ✓ | <p>The Board receives a written declaration from the Managing Director/ Chief Executive Officer and the Chief Financial Officer in accordance with section 295A of the Corporations Act. The declaration provides that, to the best of their knowledge and belief, the accounting systems and financial records are founded on a sound system of risk management and internal controls and that the system is operating efficiently in relation to financial reporting risks.</p> <p>This declaration is provided in relation to each of the full year and half year statutory financial reports prepared during the year.</p> |
| <p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | ✓ | <p>The Company's external auditor is invited to, and attends, the Company's Annual General Meeting. The auditor's presence is made known to the meeting attendees and shareholders are provided with an opportunity to ask questions of them in relation to the accounts of the Company and the performance and findings of the Audit Report.</p> |
| <p>5 – Make Timely and Balanced Disclosure</p> | | |
| <p>5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>✓</p> <p>✓</p> | <p>The Board has adopted a Policy on Continuous Disclosure which is available on the Company's website.</p> <p>The policy raises awareness of the Company's obligations under the continuous disclosure regime; establishes a process to ensure that information about the Company, which may be market sensitive and which may require disclosure, is brought to the attention of the person(s) primarily responsible for ensuring that the Company complies with its continuous disclosure obligations in a timely manner and is kept confidential; and sets out the obligations of Directors, officers, employees and contractors of the Company to ensure that the Company complies with its continuous disclosure obligations.</p> |



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| 6 – Respect the Rights of Security Holders | | |
| 6.1 | ✓ | <p>The Company provides information about itself and its governance to investors via its website (www.troyres.com.au). The Corporate Governance page provides access to all Committee Charters and relevant Corporate Governance Policies.</p> <p>The Company's website also includes copies of its:-</p> <ul style="list-style-type: none"> • Annual reports; • Financial statements; • Quarterly reports; • Other ASX announcements; • Notices of Meetings; • Presentations; and • Overviews of the Company's business activities and operations <p>in separately designated areas of the website.</p> |
| 6.2 | ✓ | <p>The Board aims to ensure that shareholders are provided with all of the information necessary to assess the performance of the Company. To achieve this, the Company has a Shareholder Communication Policy which outlines the process through which the Company will endeavour to ensure timely and accurate information is provided equally to all shareholders.</p> |
| 6.3 | ✓ | <p>The Board seeks to notify all shareholders via a Notice of General Meeting so they can be fully informed of all matters to be put to the shareholder meeting and encourages shareholders to attend and vote at these meetings.</p> <p>The Company's Shareholder Communication Policy can be found on its website.</p> |
| 6.4 | ✓ | <p>The Company welcomes electronic communication from its shareholders via its email address (troy@troyres.com.au). In addition, details of ASX announcements and Company reports are distributed to interested parties via email or post as well as being uploaded to the Company's website.</p> <p>The Company's share registry, Computershare, also engages with shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with Computershare to access their personal information and shareholdings via the internet.</p> |
| 7 – Recognise and Manage Risk | | |
| 7.1 | ✓ | <p>The Company has not established a separate risk committee; however, the Audit Committee is responsible for providing the Board with advice and recommendations regarding the establishment and implementation of risk management systems and a risk profile for the Company that describes the material risks (including financial and non-financial risks) which the Company faces.</p> <p>Details of the Audit Committee are included in section 4.1 above.</p> <p>The Board has adopted a Risk Management Policy to formalise the process of managing material business risks to the Company.</p> <p>A copy of the Policy is available on the Company's website.</p> |



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| <p>(5) 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 processes it employs for overseeing the entity's risk management framework.</p> | n/a | <p>The Directors have significant experience in, and understanding of, the industry in which the Company operates and the risks associated with public companies in the gold mining industry, to perform the functions associated with risk management under the various Charters.</p> |
| <p>7.2 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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>✓</p> <p>✓</p> | <p>The Board determines the Company's 'risk profile' and is responsible for over-seeing and approving risk management strategy and policies, internal compliance and non-financial internal control.</p> <p>The Board regularly reviews the risks applicable to the Company and a risk management culture is encouraged amongst employees and contractors.</p> |
| <p>7.3 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 the effectiveness of its risk management and internal control processes.</p> | <p>n/a</p> <p>✓</p> | <p>The Company does not have an internal audit function. However, the Board, through the Audit Committee, oversees the effectiveness of risk management and internal control processes.</p> <p>Management is charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results on balanced assessments regarding the effectiveness of internal controls to the Board.</p> |

| PRINCIPLE | COMPLIED | COMMENT |
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| <p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>✓</p> | <p>The Company has identified that it has exposure to the following primary risks:</p> <ul style="list-style-type: none"> • Gold Price: The Company is exposed to fluctuations in the gold price which can impact on revenue streams from operations. Up until January 2019, the Company was required to keep a mandatory level of hedging in place under the Company’s debt facility with Investec Bank plc. Subsequent to that date, the Company does not have any hedging capacity available to assist in mitigating gold price risk. Subsequent to the repayment of the loan facilities, the Company is investigating hedging possibilities. • Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, standards and expectations so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities at its operating mines, the Company has been able to operate in an environmentally sustainable and responsible manner. At Andorinhas, the Company was involved in reforestation projects that have provided for the ongoing rehabilitation of affected areas. Prior to the Company’s divestment of a controlling interest at Casoso, it worked with local authorities to look at re-vegetation programmes to rehabilitate affected areas. At Karouni the Company has made a concerted effort to operate in conformance with the Equator Principles, IFC Performance Standards, the International Cyanide Management Code, as well as International Environment Standard ISO 14001. • Government Regulations and Imposts: Changes to Government policies, royalties, taxes and other charges can have a serious negative impact on the operations and profitability of the Company. The Company is very conscious of its licence to operate, both in terms of government regulations and social licence and is aware that non-adherence to these regulations including health and safety, can impact upon its licence to operate. The Company has entered into a Minerals Agreement with the Government of Guyana which provides it with a stable and clear fiscal regime. The Company also maintains good lines of communication with the government and relevant interested parties including the local communities. • Ore Reserve Evaluation and Mine Plan: The Company has a finite economic life based on estimations of the Ore Reserves and the translation of those into an economic Mine Plan. Expert interpretation and then the appropriate application of mining knowledge and skills to the execution of the Mine Plan is critical to the success of the Company’s operations. The Company employs highly competent technical experts and mining practitioners, both directly and via contract, to reduce the risk of the incorrect interpretation of geological information and ensure the application of the latest and most appropriate mining techniques for the Company’s operations. • Social Sustainability Risk: Social sustainability is about the impacts, which can be both positive and negative that a business has on its people, being employees, customers and communities. The risk of negative social sustainability, due to the occurrence of a major safety incident or fatality, could have a material adverse impact on the future of the Company, say, for example, in the case of the loss of licence to operate. The Company regularly monitors health and safety, and provides significant occupational health and safety training, both at induction and on an ongoing basis at Karouni. |



2019 CORPORATE GOVERNANCE STATEMENT

| PRINCIPLE | COMPLIED | COMMENT |
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| <p>8.3 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>✓</p> <p>✓</p> | <p>The Company has issued equity based remuneration or incentives to its employees in prior years through various option or performance rights plans. However, no equity based remuneration or incentives have been issued to Company employees in the last 4 years.</p> <p>Copies of the various employee incentive schemes are available on the Company's website.</p> <p>The Company's Securities Trading Policy (a copy of which is available on the Company's website) prohibits participants in any long term incentive plan from dealing in derivatives, hedging or similar arrangements in relation to long term incentive opportunities that either have not yet vested or have vested but are subject to trading restrictions under the terms of the plan.</p> <p>Key Management Personnel are required to comply with the Company's Securities Trading Policy.</p> <p>A copy of the Company's Long Term Incentive Plan, Performance Rights Plan and Share Option Rights Plan are available on the Company's website.</p> |