

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Ausgold Limited (the **Company**) is responsible for establishing the corporate governance framework of the Company and its related bodies corporate. For the financial year commencing 1 July 2020 and ending 30 June 2021 (the **Reporting Period**), the Board considered and reports against the *Corporate Governance Principles and Recommendations* (4th Edition) as published by the ASX Corporate Governance Council (the **ASX Corporate Governance Principles**).

This Corporate Governance Statement has been approved by the Company's Board and summarises the corporate governance practices and procedures that were in place throughout the Reporting Period. In addition to the information contained in this Corporate Governance Statement, the Company's website at [www.ausgoldlimited.com](http://www.ausgoldlimited.com) contains additional details of its corporate governance practices and procedures and copies of the current Board and Committee Charters and Policies. This Corporate Governance Statement is current as at 29 September 2021.

The ASX Listing Rules require listed companies to include in their Annual Report or their website a statement disclosing the extent to which they have complied with the ASX Corporate Governance Principles in the reporting period. The ASX Corporate Governance Principles recognise that which governance practices a listed entity chooses to adopt is fundamentally a matter for its board of directors to determine, given they are charged with the legal responsibility for managing the company's business with due care and diligence and therefore ensuring that it has appropriate governance procedures in place. As such, the recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it, however if it does so, it must explain why it has not adopted the recommendation – the "if not, why not" approach. Where the Company considered it was not appropriate to presently comply with a particular recommendation, the reasons are set out in the relevant section of this Corporate Governance Statement.

With the exception of the departures detailed in this Corporate Governance Statement, the corporate governance practices of the Company during the Reporting Period were compliant with the ASX Corporate Governance Principles. The table below provides a summary of the Company's compliance with each of the nine ASX Corporate Governance Principles along with cross references to further exploration of the Company's compliance, or non-compliance, as set out in section 2 included after the table:

### 1. RECOMMENDATION CHECKLIST

Recommendation		Comply Yes / No / Partly	Cross Ref
1.1	A listed entity should have and disclose a board charter setting out: (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.	Yes Yes	Section 2.1
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 re-elect a director.	Yes Yes	Section 2.5
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Section 2.3
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.	Yes	Section 2.4
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period:	Yes Yes	Section 2.10

Recommendation		Comply Yes / No / Partly	Cross Ref
	<p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>A. 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); and</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 and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	No  NA  Yes  NA  NA	
1.6	<p>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 for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.</p>	Yes  Yes	Section 2.3
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.</p>	Yes  Yes	Section 2.3
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose</p> <p>(3) the charter of that committee;</p> <p>(4) the members of the committee; and</p> <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 members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes Yes  No  Yes Yes Yes  NA	Section 2.5
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Yes	Section 2.4
2.3	<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 of the ASX Corporate Governance Principles,</p>	Yes	Section 2.4

Recommendation		Comply Yes / No / Partly	Cross Ref
	<p>but the board is of the opinion 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>	<p>Yes</p> <p>Yes</p>	
2.4	A majority of the board of a listed entity should be independent directors.	No	Section 2.4
2.5	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	No	Section 2.4
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Section 2.4
3.1	A listed entity should articulate and disclose its values.	No	Section 2.13
3.2	<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>	<p>Yes</p> <p>Yes</p>	Section 2.7
3.3	<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>	<p>Yes</p> <p>Yes</p>	Section 2.14
3.4	<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 incidents reported under that policy.</p>	<p>Yes</p> <p>Yes</p>	Section 2.14
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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 corporate 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>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>NA</p>	Section 2.6
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		Section 2.12

Recommendation		Comply Yes / No / Partly	Cross Ref
	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.	Yes	
4.3	A listed entity should disclose its processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	No	Section 2.12
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Yes	Section 2.8
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Section 2.8
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials to the ASX market Announcements Platform ahead of the presentation.	Yes	Section 2.8
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Section 2.1
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	Section 2.9
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Section 2.9
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	Section 2.9
6.5	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	Yes	Section 2.9
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director;</li> </ul> and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ul> </li> <li>(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.</li> </ul>	Yes Yes No Yes Yes Yes	Section 2.6
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(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</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Yes Yes	Section 2.12
7.3	A listed entity should disclose:	No	Section 2.12

Recommendation		Comply Yes / No / Partly	Cross Ref
	<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 evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Yes	
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risk and, if it does, how it manages or intends to manage those risks.	Yes	Section 2.12
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <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 remuneration committee, disclose that fact and the processes it employees for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>NA</p>	Section 2.5
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Section 2.5
8.3	<p>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>Yes</p>	Section 2.5
9.1	A listed entity with a director who does not speak the language in which the board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	NA	NA
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	NA	NA
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AHM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	NA	NA

## 2. FURTHER EXPLANATION

### 2.1 Board responsibilities

The Board supervises the management of the business and affairs of the Company. The Board assumes responsibility for the stewardship of the Company, and the functions the Company has established that are reserved to the Board include:

- develop, review and monitor the Company's long term business strategies and provide strategic direction to management;
- approve and monitor budgets, major capital commitments, capital management, acquisitions and divestitures;

- identify and review risks that may face the Company and ensure that it has systems in place for risk management and internal control;
- review and approve the Company's financial statements and other reporting;
- appoint, remove and review the performance of the Chief Executive Officer;
- ratify the appointment or removal of the Chief Financial Officer and the Company Secretary;
- appoint directors, subject to shareholder ratification at general meeting;
- establish and maintain corporate governance standards;
- monitor compliance with legal, regulatory requirements (including continuous disclosure) and ethical standards;
- lead by example to establish a culture within the Company which strives for and rewards best practice in all areas of the business, particularly with regard to environmental issues;
- monitor whether the Board is appropriately skilled to meet the changing needs of the Company;
- oversee the Company's operations, including its control and accountability systems;
- provide input into and final approval of management's development of corporate strategy and performance objectives;
- review, ratify and monitor the Company's Code of Conduct; and
- ensure that appropriate resources are available to senior executives.

For a complete list of the functions reserved to the Board and a copy of the Company's Board Charter, please refer to the Corporate Governance section of the Company's website.

While the Board retains full responsibility for guiding and monitoring the Company and its related entities, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board. To achieve this objective, the Board has established the following committees:

- the Audit and Risk Committee; and
- the Nomination and Remuneration Committee.

Please refer to the Corporate Governance section of the Company's website for further detail on the roles and responsibilities of these committees.

## **2.2 Board's relationship with management**

The responsibility for the day to day operation and administration of the consolidated entity, in accordance with the direction of the Board, is delegated by the Board to the Chief Executive Officer. During the Reporting Period, this position was held by Dr Matthew Greentree, Chief Executive Officer (CEO) and Managing Director.

The matters and functions delegated by the Board to the CEO and Managing Director include:

- the development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Company, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives;
- managing a team of executives responsible for all functions contributing to the success of the Company;
- ensuring that the Company has the appropriate risk management practices and policies in place;
- the efficient and effective operation of the Company;
- the assessment of business opportunities which are of potential benefit to the Company;
- bringing material and other relevant matters to the attention of the Board in an accurate and timely manner; and
- overseeing shareholder communications.

For a complete list of the functions reserved to the CEO and Managing Director, please refer to the Corporate Governance section of the Company's website.

## **2.3 Performance Evaluation of Board and Senior Executives**

The Chairman is responsible for the evaluation of the Board and when appropriate, Board committees, these evaluations are carried out informally during each year.

An informal evaluation of the Managing Director was carried out by the Board during the Reporting Period.

The Managing Director is responsible for evaluating the performance of senior executives. This is conducted by information interviews and via ongoing contact between the Managing Director and senior executives. This evaluation was carried out during the Reporting Period.

All Directors and senior executives are subject to a written agreement with the Company setting out the terms of their appointment as well as their key duties, rights and obligations.

## 2.4 Structure of the Board and Skills Matrix

The Board has adopted a policy for the nomination and selection of Directors.

The Board is comprised of six Directors, two of whom are Executive Directors of the Company. The Company acknowledges that Recommendations 2.4 and 2.5 recommend that the Chairman be an independent Director and that a majority of directors be independent. However, due to the size of the Company's operations, the Board has taken a more active role in the conduct of the Company's business. The Board undertook these steps in an appropriate manner given the Company's circumstances during the course of the year.

The period of office held, skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company in office at the date of this statement are:

Name	Position	Appointment date	Length of service at date of this statement	Independence status
Richard Lockwood	Non-Executive Chairman	12 November 2010	10 years	Not Independent
Denis Rakich	Executive Director & Company Secretary	31 January 2013	7 years	Not Independent
Matthew Greentree	Managing Director	17 April 2018	2 years	Not independent
Neil Fearis	Non-Executive Director	15 April 2016	4 year	Independent
Geoffrey Jones	Non-Executive Director	29 July 2016	4 year	Independent
Timothy Kestell	Non-Executive Director	13 August 2021	1 month	Not independent

The composition of the Board is reviewed annually by the Nomination and Remuneration Committee to ensure that the Directors between them bring the range of skills, knowledge and experience necessary to direct the Company's operations. The Board has adopted a skills matrix suitable for the Board of the Company at its current stage and into the future, taking into account its current strategy, operations and expectations for changes in the nature and scope of its activities. The Board skills matrix identifies a mix of areas the Board should collectively hold across its membership, including geological, technical/engineering, project development, commercial, legal, health/safety/environment, corporate governance, risk and compliance, financial/accounting, capital markets, investor relations and public relations. The Board is satisfied that the identified skills are well represented in the current Board. However, the Board will consider appointing additional directors to enhance relevant areas as it further expands its operations.

The Company requires Directors to undertake appropriate professional development activities to further advance the skills and expertise they bring to the Board, along with developing new skills and expertise. New Directors are provided with information as to the Board's management and operations, including copies of all Board and Company policies, to ensure they are inducted sufficiently into their new role.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All Directors have unfettered access to the Company Secretary. In addition, Directors are entitled, in furtherance of their duties, to seek independent professional advice at the Company's expense.

## 2.5 Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee which assists the Board in fulfilling its responsibilities for determining and reviewing compensation arrangements for the Directors and senior executives and ensuring that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director. For further details regarding the procedure for the nomination, selection and appointment of new Directors and re-election of incumbents, as well as a copy of the Nomination and Remuneration Committee's charter, please refer to the Corporate Governance section of the Company's website.

The company recognises Recommendations 2.1 and 8.1 which recommend that the nomination and remuneration committees respectively be chaired by an independent Director. Given the size of the Company and the size of the composition of the Board, the Company does not currently and throughout the Reporting Period comply with this recommendation, as the Nomination and Remuneration Committee is chaired by the Company's Non-Executive Chairman, Mr Richard Lockwood, who is not considered to be independent. However, despite this the Board is of the view that the skills and experience of the committee members is appropriate and the Committee was able to, and did, bring impartial judgement to all relevant issues.

The Nomination and Remuneration Committee has the following composition:

<b>Name</b>	<b>Position</b>	<b>Independent</b>	<b>Committee position</b>
Richard Lockwood	Non-Executive Chairman	No	Member
Neil Fearis	Non-Executive Director	Yes	Member
Geoffrey Jones	Non-Executive Director	Yes	Chairman

The Company notes that Mr Neil Fearis and Mr Geoffrey Jones are each considered by the Board to be independent Directors and accordingly the Company complies with the recommendation that nomination and remuneration committees are comprised of a majority of independent directors

For further details of membership and attendance at meetings of the Nomination and Remuneration Committee, refer to page 20 of the Company's 2021 Annual Report.

For further details on the remuneration policy of the Company, including a description of the structure of Directors' and senior executives' remuneration, refer to pages 24 – 29 of the Company's 2021 Annual Report.

The Company has established a Performance Rights Plan pursuant to which the Company may offer long term equity incentive rights to executive Directors and employees. The rights are usually issued for nil consideration and convert to shares in accordance with performance guidelines established by the Directors or the Company. The rights cannot be transferred without the approval of the Company's Board and are not quoted on ASX. As a result, rights holders may not enter into any transaction designed to remove the "at risk" aspect of an option before it is exercised. The Performance Rights Plan prohibits participants from engaging in activities or transactions that attempt to, or purport to, hedge or otherwise limit the economic risk of participating in the plan. A summary of the material terms of the plan will be disclosed in any notice of general meeting issued by the Company in circumstances where rights under the plan are subject to shareholder approval at such meeting.

The Company acknowledges that the guidelines to Principle 8 of the ASX Corporate Governance Principles recommend that Non-executive Directors do not receive options with performance hurdles attached. There is no scheme to provide retirement benefits (other than superannuation) for Non-executive Directors.

For additional details regarding the Nomination and Remuneration Committee, including a copy of its charter, please refer to the Corporate Governance section of the Company's website at [www.ausgoldlimited.com](http://www.ausgoldlimited.com).

## **2.6 Audit and Risk Committee**

The Board has established an Audit and Risk Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes such as the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information, as well as nonfinancial considerations including the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the consolidated entity to the Audit and Risk Committee. The Audit and Risk Committee provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The Audit and Risk Committee is also responsible for the nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year audit review.

For further details regarding the procedures for selection, appointment and rotation of external audit partners, as well as a copy of the Audit and Risk Committee's charter, please refer to the Corporate Governance section of the Company's website.

The company recognises Recommendations 4.1 and 7.1 which recommend that the audit and risk committees respectively be chaired by an independent Director. Given the size of the Company and the size of the composition of the Board, the Company currently does not and throughout the Reporting Period did not comply with this recommendation as the Audit



and Risk Committee is chaired by the Company's Non-Executive Chairman, Mr Richard Lockwood. However, despite this the Board is of the view that the skills and experience of the committee members is appropriate and the Committee was able to, and did, bring impartial judgement to all relevant issues.

The Audit and Risk Committee has the following composition:

<b>Name</b>	<b>Position</b>	<b>Independent</b>	<b>Committee position</b>
Richard Lockwood	Non-Executive Chairman	No	Member
Neil Fearis	Non-Executive Director	Yes	Chairman
Geoffrey Jones	Non-Executive Director	Yes	Member

The Company notes that Mr Neil Fearis and Mr Geoffrey Jones are each considered by the Board to be independent Directors and accordingly the Company complies with the recommendation that audit and risk committees are comprised of a majority of independent directors.

For details of membership and attendance at meetings of the Audit and Risk Management Committee, refer to page 20 of the Company's 2021 Annual Report.

## **2.7 Code of conduct**

The Board supports the highest standards of corporate governance and requires its members and the management and staff of the Company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the Company's operations;
- Australian Securities Exchange Listing Rules;
- Employment practices;
- Responsibilities to the community and the environment;
- Conflict of interests;
- Confidentiality;
- Corporate opportunities arising from personal gain or to compete with the Company;
- Protection of and proper use of the Company's assets; and
- Active promotion of ethical behaviour.

The Company has a formal Code of Conduct, which all Directors, employees and contractors are required to observe. The Code of Conduct requires the Company to periodically monitor compliance with the Code by liaising with the Board, management and staff. The Company Secretary is tasked to conduct a review of the Code of Conduct and its effectiveness at least once annually and reports these findings to the Board. This review was conducted during the Reporting Period. A copy of the Code of Conduct is available on the Company's website or upon request.

## **2.8 Continuous disclosure**

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders. The Company established a formal Continuous Disclosure Policy designed to ensure compliance with the listing rules of the Australian Securities Exchange ("ASX").

Continuous disclosure is discussed by the Board and management on an on-going basis. The Board ensures that all activities are reviewed and assessed for disclosure requirements to stakeholders.

The Company ensures that any new and substantive investor or analyst presentation containing inside information is disclosed to the market simultaneously with any such presentation or otherwise as soon as practical.

In accordance with the Continuous Disclosure Policy, Company information considered to be material is announced immediately to the ASX. The Continuous Disclosure Policy tasks the Company Secretary with ensuring that all members of the Board receive copies of any announcements released to the market immediately following publication. All key communications are placed as soon as practical on the Company website, and when necessary, provided directly to shareholders. A copy of this Policy is available on the Company's website or upon request.

## **2.9 Shareholder communication**

The Board of Directors aims to ensure that shareholders are provided with important information in a timely manner through written and electronic communications. It is for this reason that the Company has established a Shareholder Communications Policy.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- the Annual Report;
- the availability of the Company's quarterly report, half-yearly report and other announcements distributed to shareholders;
- adherence to continuous disclosure requirements;
- the annual general meeting and other meetings called to obtain shareholder approval for Board action as appropriate; and
- the provision of the Company's website containing all of the above mentioned reports and its constant update and maintenance.

Shareholders are encouraged to attend and participate in the meetings and are also encouraged to submit questions to the Board either in writing prior to the meeting or at the time when the shareholders are given the opportunity to ask questions of the Board for answer during the meeting.

The Company endeavours to ensure that all substantive resolutions of members at general meetings of the Company are decided by a poll rather than show of hands to ensure that the principle of "one security, one vote" is upheld.

The Shareholder Communications Policy allows and promotes shareholders to receive electronic communications from the Company.

A copy of the Shareholder Communications Policy is available on the Company's website or by request.

## **2.10 Diversity policy**

The Company recognises that a diverse and talented workforce is a key competitive advantage. It promotes a non-discriminatory workplace climate in which recruitment, promotion and retention are based entirely on merit, without regard to age, gender, race or cultural background.

Pursuant to Recommendation 1.5, the Company has established a Diversity Policy. To assist in fostering diversity within the organisation, the Company has committed to

- creating a workplace that promotes equal opportunity and diversity;
- maintaining a workplace where all employees, potential employees, and contractors are able to perform their duties free from all forms of unlawful discrimination and harassment;
- identifying ways to promote a culture which embraces diversity, including the recruitment of employees and board members from a diverse pool of qualified candidates;
- understanding and articulating the benefits arising from employee and board diversity; and
- ensuring daily activities, practices and procedures across the Company are carried out in accordance with this policy.

Due to the size of the organisation, the use of specific measurable objectives at this stage is not considered appropriate. Whilst the Board of the Company strongly endorses the concept of gender diversity, until the Company's human resource base has grown to a point where fully implementing specific measurable objectives will become more meaningful, the Company will, in accordance with its Diversity Policy, continue to recruit the best person for each role, regardless of gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position

During the Reporting Period, the female employees comprised 25 % of the total permanent workforce across all levels of the Group.

A copy of the Company's Diversity Policy is available on the Company's website or by request.

## **2.11 Securities trading policy**

The Company has adopted a formal Securities Trading Policy restricting Directors, senior executives and employees from acting on material information until it has been released to the market in accordance with the requirements of continuous disclosure.

Directors and executives are restricted in a number of ways to deal in the Company's securities. The policy stipulates that Directors and certain employees and persons connected with them do not abuse and do not place themselves under suspicion of abusing price-sensitive information that they have or are thought to have, especially in periods leading up to announcement of results.

In order to avoid any inference of unfair or inappropriate behaviour by the Company or any of its Directors, executives, managers or employees, all restricted persons are prohibited from dealing in the Company's securities in any blackout period. A blackout period is any point in time within the following dates:

- from the first day of January until the second day following the public release of the Company's half-year results;
- from the first day of July until the second day following the public release of the sooner to occur of the Company's preliminary or final full year results; and
- from the first day following the close of each quarter for which the Company is required to provide a periodic quarterly report to the ASX until the second day following the release of that report to the ASX.

The Board or the Chief Executive Officer ("CEO") as its delegate may determine that any of the blackout periods referred to above may be extended (but not shortened) or a new blackout period introduced from time-to-time. Outside of any of the blackout periods, a restricted person can only deal in Ausgold securities if he or she is not in possession of inside information. Restricted persons may not deal in the Company's securities on a short-term trading basis.

A restricted person must, by virtue of his or her position, request clearance in writing for any proposed dealing in the Company's securities as follows:

- a Director of Ausgold (including the CEO) must inform and receive approval from the Chairman prior to undertaking any transaction;
- the Chairman must obtain approval from the Chairman of the Audit and Risk Committee and the CEO prior to undertaking any transaction;
- executives, senior management and other employees must inform and receive approval from the CEO or the Company Secretary prior to undertaking any transaction; and
- the Company Secretary must inform and receive approval from the CEO.

The Company's Securities Trading Policy is available on the Company's website or upon request.

## **2.12 Risk management**

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives. The Board understands the importance of risk management and it continues to be an ongoing focus for the Board

Regular controls established by the Board include:

- timely monthly financial and operational reporting;
- implementation of exploration work programs and budgets by management; and
- procedures to allow Directors to monitor progress of key activities undertaken by management.

Due to the size of the Company's operations, the Board is responsible for reviewing and approving the Company's risk management strategy, including determining the Group's appetite for significant investment decisions. Management reports to the Board on the Company's key risks periodically.

Before the Board approves the entity's financial statements for a financial period, it receives 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.

The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Company's internal control framework and risk management process is governed by the Audit and Risk Committee. Due to the size of the Company and its current level of activity and operations, the Company currently does not and throughout the Reporting Period did not have a formal internal audit function. Periodically, internal reviews of the Company's financial systems, documents and processes are undertaken and any recommendation for improvement reported to the Board as part of the Company's risk management processes.

The Board regularly discusses risks associated with the Company's business and exploration activities along with the Company's risk tolerance. The Board is responsible for determining whether the Company has a material exposure to economic, environmental and social sustainability risk and, if it does, how it manages or intends to manage those risks. The Board has established an Audit and Risk Management Committee. The Board has delegated to the Audit and Risk Management Committee the primary responsibility for ensuring that risks are identified and monitored. The Audit and Risk Management Committee has in turn required management to design and implement a risk management and control system

to manage the Company's material business risks. The Audit and Risk Management Committee reviews the risk management framework at least annually. An annual review took place during the Reporting Period.

The annual business planning process includes careful consideration of the internal and external risk profile of the Company. Senior executives report regularly to the Board in relation to the effectiveness of the management of material business risks. This process will allow senior management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value. The Board confirms that it has received a report from management during the Reporting Period affirming that the Company's management of material business risks is effective.

As an exploration and development company, the Company's ability to fund its exploration and development activities relies on its existing cash resources and its ability to raise additional capital as and when it may be required. The Company manages these material risks through the tight fiscal management which emanates from Company's internal control processes and the risk management framework established by the Board. In addition, the Company maintains a close working relationship with its shareholders and the financial markets.

The Board has formed the view that the Company does not currently have any material exposure to environmental or social risks.

As the Company evolves and grows, a series of operational risks and mitigation strategies will be considered and adopted on a fit for purpose basis. As risk management is an on-going process, the Board recognises that the extent of the strategy and planning will continue to grow with the Company's activities.

The Risk Management Policy is available on the Company's website or upon request.

### **2.13 Ausgold's Values**

The Company acknowledges Recommendation 3.1 which states that a listed entity should articulate and disclose its values and identifies the importance of linking the Company's purpose and strategic goals through the expression of standards and behaviours it expects from its Directors, executives and employees.

The Company is currently focussed on funding and conducting its exploration and development activities and, as such, is yet to implement an official corporate values policy. However, the Company is currently in the process of reviewing and developing what it considers to be its values and intends to put in place a corporate values policy within the coming year.

### **2.14 Whistleblower and Anti-Bribery & Corruption Policies**

The Company acknowledges Recommendations 3.3 and 3.4 and the seriousness of implementing anti-bribery and anti-corruption policies in all businesses, including the Company's, along with the importance of providing employees and officers the means to safely and confidentially (where appropriate) raise issues or concerns regarding any unlawful, unethical or irresponsible behaviour.

The Company has a Whistleblower Policy. The Whistleblower Policy is available on the Company's website or upon request.

The Company has an Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy is available on the Company's website or upon request.