

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

| |
|----------------------|
| Austral Gold Limited |
|----------------------|

ABN/ARBN

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| 30 075 860 472 |
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Financial year ended:

| |
|------------------|
| 31 December 2020 |
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Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://www.australgold.com/corporate-governance-statement/>

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 17 March 2021

Name of authorised officer authorising lodgement: David Hwang

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 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. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: http://www.australgold.com/charters/ | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|---|--|
| <p>1.5 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>(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 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 and published under that Act.</p> <p>If the entity was in the S&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> | <p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in:</p> <p>the Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in:</p> <p>the Corporate Governance Statement.</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|---|---|
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for 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 has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in: the Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in: the Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|--|--|---|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 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 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 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> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>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.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p>the Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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, affiliation 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 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><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in:</p> <p>the Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>.....</p> <p>Corporate Governance Statement</p> <p>and the length of service of each director in:</p> <p>the Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|---|
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: the Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct in: the Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input type="checkbox"/> and we have disclosed our whistleblower policy at: [insert location] | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: [insert location] | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|--|---|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.australgold.com/corporate-governance/ and the information referred to in paragraphs (4) and (5) in: the Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2 | <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><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.3 | <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><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|---|---|---|--|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.australgold.com/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: www.australgold.com | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in: the Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|--|--|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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 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> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.2 | <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><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity’s risk management framework was undertaken during the reporting period in:</p> <p>the Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|---|--|--|--|
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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 governance, risk management and internal control processes. | <input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in: the Corporate Governance Statement | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | <input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: the Risk Management and Internal Compliance and Control Policy which is available on the Company's website www.australgold.com and, if we do, how we manage or intend to manage those risks at: www.australgold.com | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|--|--|---|---|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 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 employs 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: in the Corporate Governance Statement</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>.....</p> <p>the Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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><input type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|---|--|---|
| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which 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. | <input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed 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. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

Corporate Governance Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

Austral Gold Limited (the Company) and its controlled entities (the Group) have adopted the corporate governance framework and practices set out in this statement. The framework and practices have been in place throughout the financial year and have been adopted in accordance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations), unless otherwise stated in the table below.

The Board of Directors of Austral Gold Limited (Board) strives to ensure that the Group meets high standards of safety, performance and governance. The Group recognises that it has responsibilities to its shareholders, customers, personnel and suppliers as well as to the communities in which it operates. The Board has ultimate authority over, and oversight of, the Group and regards corporate governance as a critical element in achieving the Group's objectives. Accordingly, the Board has adopted appropriate policies and charters that are available in the Corporate Governance section of the Company's website at www.australgold.com.

Listing rule 4.10.3 requires a company to identify any Recommendations it has not followed and give reasons for not following them. If a Recommendation has only been followed for part of the period, the company must state the period during which it has been followed.

This statement has been approved by the Board, and the information provided remains current as at 17 March 2021.

| PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | |
|--|----------|--|
| ASX Recommendations | Adopted? | Explanation |
| 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. | Yes | <p>The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.</p> <p>Management is responsible for the execution of the strategic direction as set by the Board.</p> <p>A Board Charter has been adopted which sets out the respective roles and responsibilities of the Board and senior management and is available on the Company's website at www.australgold.com.</p> <p>The specific responsibilities of the Board include:</p> <ul style="list-style-type: none">• The appointment, evaluation, remuneration and if necessary the removal of senior executives;• Developing corporate objectives, strategy and operations plans, in conjunction with management; |

| | | |
|--|-----|--|
| | | <ul style="list-style-type: none"> ● Approving and monitoring the progress of major capital expenditure, capital management, acquisitions, divestitures and major funding activities; ● Monitoring the performance of senior management including the implementation of strategy and ensuring appropriate resources are available; ● Maintaining an appreciation of areas of significant business risk and reviewing risk management systems; ● Overseeing the management of safety, occupational health and environmental matters; ● Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the company, and reviewing other reporting to shareholders; ● Satisfying itself that there are appropriate reporting systems and internal controls in place; And ● Satisfying itself that frameworks are in place to ensure the Company acts legally and responsibly on all matters and remains consistent with the code of conduct. |
| <p>1.2 A listed entity should:</p> <p>a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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> | Yes | <p>All material information in the Group's possession that is relevant to the decision as to whether or not to elect or re-elect the Director is provided to shareholders in the explanatory notes accompanying the Notice of Meeting, for the Annual General Meeting at which the election or re-election is to be considered.</p> <p>When a vacancy for a Board position arises, the Board assesses the range of skills, experience, expertise and diversity and other attributes from which the Board would benefit and the extent to which current Directors possess such attributes before putting forward potential candidates for the position. Candidates that are proposed are assessed through interviews, meetings, background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.</p> |
| <p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | Yes | <p>Each Non-Executive Director receives a letter formalising their appointment and that letter outlines the key terms and conditions of their appointment. The Executive Director (Chief Executive Officer (CEO) has a written position description and an employment contract.</p> |
| <p>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> | Yes | <p>Under the Board Charter, the appointment, performance review and, where appropriate, the removal of the Company Secretary is a key responsibility of the Board. As a result, the Company Secretary is accountable directly to the Board, through the Chairman, including on all matters to do with the proper functioning of the Board</p> |
| <p>1.5 A listed entity should:</p> <p>a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to</p> | No | <p>The Group welcomes a diverse population of personnel which reflects the range of countries, cultures and contexts spanned by the Group's operations. The Group considers this diversity to be one of its strengths.</p> <p>The Group does not currently have a formal policy concerning diversity and has not established measurable objectives for achieving gender diversity at this time.</p> |

| <p>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> <ol style="list-style-type: none"> 1. 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 2. 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>The Board will further consider matters relating to diversity, including whether to establish formal policies and measurable objectives during 2021.</p> <p>For the year ended 31 December 2020, the number and proportion of women and men employed by Austral Gold was as follows:</p> <table border="1" data-bbox="1104 196 1933 419"> <thead> <tr> <th></th> <th>Women</th> <th>Men</th> </tr> </thead> <tbody> <tr> <td>Whole Group</td> <td>15 (4%)</td> <td>380 (96%)</td> </tr> <tr> <td>Senior Executives and Executives*</td> <td>2 (11%)</td> <td>17 (89%)</td> </tr> <tr> <td>Board Members</td> <td>0 (0%)</td> <td>7 (100%)</td> </tr> </tbody> </table> <p>*Senior Executives and Executives include all VPs and Managers reporting directly to the Board of Directors, the CEO or the CFO</p> | | Women | Men | Whole Group | 15 (4%) | 380 (96%) | Senior Executives and Executives* | 2 (11%) | 17 (89%) | Board Members | 0 (0%) | 7 (100%) |
|--|---------|---|--|-------|-----|--------------------|---------|-----------|--|---------|----------|----------------------|--------|----------|
| | Women | Men | | | | | | | | | | | | |
| Whole Group | 15 (4%) | 380 (96%) | | | | | | | | | | | | |
| Senior Executives and Executives* | 2 (11%) | 17 (89%) | | | | | | | | | | | | |
| Board Members | 0 (0%) | 7 (100%) | | | | | | | | | | | | |
| <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> | Yes | <p>The Group has in place an informal process where Directors can raise any issues regarding the performance of the Board, its Directors and/or its Committees directly with the Company Secretary for discussion and further action.</p> <p>The Board may consider a formal review by an external consultant if the need arises to highlight and implement improvements. During the period, this process of performance evaluation was undertaken as described above.</p> | | | | | | | | | | | | |
| <p>1.7 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | Yes | <p>All Senior Executives are subject to an Annual Performance Evaluation. Each year, performance targets are set for Senior Executives. These targets are aligned to the overall business goals and the Group's requirements of the position.</p> <p>An informal progress assessment is carried out throughout the year. A full evaluation of an executive's performance against the agreed targets takes place annually. This will normally occur in conjunction with goal setting for the coming year. As Austral Gold is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the Executive's development plan. Performance pay components of Executives' packages are also dependent on the outcome of the evaluation.</p> | | | | | | | | | | | | |

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

| ASX Recommendations | Adopted? | Explanation |
|---|------------|--|
| <p>2.1 The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 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; <p>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> | <p>No</p> | <p>The Board has not established a Nomination Committee. When a vacancy for a Board position arises, the full Board assesses the range of skills, experience, expertise and diversity and other attributes from which the Board would benefit and the extent to which current Directors possess such attributes, before putting forward potential candidates for the position. Candidates that are proposed are assessed through interviews, meetings, background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.</p> |
| <p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>Yes</p> | <p>While recognising that each Director will not necessarily have experience in each of the following areas, the Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders.</p> <p>The mix of skills comprised in the current Board, and that the Board would look to maintain and to build on includes:</p> <ul style="list-style-type: none"> • Mining industry expertise • Metallurgy and metals knowledge • Leadership, high level of business acumen and ability to think strategically • Legal expertise • Accounting, tax and corporate finance including experience with mergers and acquisitions • Geographic experience, especially Latin America, North America and Asia Pacific regions • Corporate governance and risk management • Investor relations and communications |

| <p>2.3 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 (which appears on page 16 of the ASX Recommendations and is entitled “Factors relevant to assessing the independence of a director”), 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>As at 31 December 2020, the Board consisted of:</p> <table border="1" data-bbox="1003 102 2134 539"> <thead> <tr> <th data-bbox="1003 102 1352 161">Name</th> <th data-bbox="1352 102 1688 161">Role</th> <th data-bbox="1688 102 1899 161">Independent?</th> <th data-bbox="1899 102 2134 161">Date appointed</th> </tr> </thead> <tbody> <tr> <td data-bbox="1003 161 1352 236">Wayne Hubert</td> <td data-bbox="1352 161 1688 236">Executive Director, Chairman</td> <td data-bbox="1688 161 1899 236">No</td> <td data-bbox="1899 161 2134 236">18 October 2011</td> </tr> <tr> <td data-bbox="1003 236 1352 311">Eduardo Elsztain</td> <td data-bbox="1352 236 1688 311">Non-Executive Director, Vice Chairman</td> <td data-bbox="1688 236 1899 311">No</td> <td data-bbox="1899 236 2134 311">29 June 2007</td> </tr> <tr> <td data-bbox="1003 311 1352 357">Saul Zang</td> <td data-bbox="1352 311 1688 357">Non-Executive Director</td> <td data-bbox="1688 311 1899 357">No</td> <td data-bbox="1899 311 2134 357">29 June 2007</td> </tr> <tr> <td data-bbox="1003 357 1352 403">Pablo Vergara del Carril</td> <td data-bbox="1352 357 1688 403">Non-Executive Director</td> <td data-bbox="1688 357 1899 403">No</td> <td data-bbox="1899 357 2134 403">18 May 2006</td> </tr> <tr> <td data-bbox="1003 403 1352 450">Stabro Kasaneva</td> <td data-bbox="1352 403 1688 450">Executive Director</td> <td data-bbox="1688 403 1899 450">No</td> <td data-bbox="1899 403 2134 450">7 October 2009</td> </tr> <tr> <td data-bbox="1003 450 1352 496">Robert Trzebski</td> <td data-bbox="1352 450 1688 496">Non-Executive Director</td> <td data-bbox="1688 450 1899 496">Yes</td> <td data-bbox="1899 450 2134 496">10 April 2007</td> </tr> <tr> <td data-bbox="1003 496 1352 539">Ben Jarvis</td> <td data-bbox="1352 496 1688 539">Non-Executive Director</td> <td data-bbox="1688 496 1899 539">Yes</td> <td data-bbox="1899 496 2134 539">2 June 2011</td> </tr> </tbody> </table> | Name | Role | Independent? | Date appointed | Wayne Hubert | Executive Director, Chairman | No | 18 October 2011 | Eduardo Elsztain | Non-Executive Director, Vice Chairman | No | 29 June 2007 | Saul Zang | Non-Executive Director | No | 29 June 2007 | Pablo Vergara del Carril | Non-Executive Director | No | 18 May 2006 | Stabro Kasaneva | Executive Director | No | 7 October 2009 | Robert Trzebski | Non-Executive Director | Yes | 10 April 2007 | Ben Jarvis | Non-Executive Director | Yes | 2 June 2011 |
|---|--|---|-----------------|------|--------------|----------------|---------------------|---------------------------------|----|-----------------|-------------------------|--|----|--------------|------------------|------------------------|----|--------------|---------------------------------|------------------------|----|-------------|------------------------|--------------------|----|----------------|------------------------|------------------------|-----|---------------|-------------------|------------------------|-----|-------------|
| Name | Role | Independent? | Date appointed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wayne Hubert | Executive Director, Chairman | No | 18 October 2011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Eduardo Elsztain | Non-Executive Director, Vice Chairman | No | 29 June 2007 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Saul Zang | Non-Executive Director | No | 29 June 2007 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pablo Vergara del Carril | Non-Executive Director | No | 18 May 2006 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stabro Kasaneva | Executive Director | No | 7 October 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Robert Trzebski | Non-Executive Director | Yes | 10 April 2007 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ben Jarvis | Non-Executive Director | Yes | 2 June 2011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2.4 A majority of the board of a listed entity should be independent directors.</p> | No | <p>As shown in the table above, the Company does not have a majority of Independent Directors. The Board regularly assesses the independence of its Non-Executive Directors.</p> <p>Of the Company’s seven Directors, Eduardo Elsztain, Saul Zang and Pablo Vergara del Carril are not considered independent due to their relationships with IFISA, the Company’s majority shareholder and/or Guanaco Capital Holding Corp, a related party. Wayne Hubert and Stabro Kasaneva are not independent due to their executive roles and Robert Trzebski and Ben Jarvis considered to be Independent, Non-Executive Directors.</p> <p>The Board believes that it has an appropriate composition given the nature, size and operations of the Company. The composition of the Board has remained unchanged throughout the year and at the date of this statement.</p> <p>As the Company grows, the Company plans to appoint additional Independent Directors to ensure that the Company will ultimately have a majority of Independent Board Directors.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>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 chief executive officer of the entity.</p> | No | <p>The Chairman, Wayne Hubert, is not considered to be Independent as he is also an executive. However, he is not the Chief Executive Officer of the Company.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>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.</p> | <p>Yes</p> | <p>All new Directors are provided with an induction including comprehensive meetings with the Chairman of the Board, the CEO, senior executives and management, and provision of information on the Company including the Company Constitution and Policies. A site visit is also arranged as soon as practicable.</p> <p>All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Chairman, or his nominee, implements the induction program for new Directors.</p> |
| <p>PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY</p> | | |
| <p>ASX Recommendations</p> | <p>Adopted?</p> | <p>Explanation</p> |
| <p>3.1 A listed entity should articulate and disclose its values.</p> | <p>Yes</p> | <p>Safety and caring of our employees Integrity and honesty Accountability Problem solving Innovation</p> |
| <p>3.2 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.</p> | <p>Yes</p> | <p>The Company's Code of Conduct is an ethical framework. It provides that Directors, Officers, employees and contractors of the Company are expected to act with integrity and to strive to enhance the reputation of the Company. In doing so, they must: Act honestly, in good faith and in the best interests of the Company;</p> <ul style="list-style-type: none"> • Act honestly, in good faith and in the best interests of the Company; • Use due care and diligence in fulfilling the functions of their position; • Not take advantage of their position for their personal gain or the gain of their associates; • Preserve the confidentiality of information received in the course of their duties, which remains the property of the Company and can only be released or used with specific permission from the Company; • Comply with the spirit as well as the letter of the law, and with the principles of the Code; and • Report any breaches of the Code to the Company Secretary. The Company Secretary has the responsibility to arrange an investigation and to advise the relevant employee of the outcome and actions implemented. |
| <p>3.3 A listed entity should: a) have and disclose a whistleblower policy; and</p> | <p>No</p> | <p>We are in the process of finalising the whistleblower policy. The management and Board work together to create right channels for employees and other stakeholders to communicate any issue they wish to share with the company.</p> |

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| b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | | |
| 3.4 A listed entity should: a) have and disclose an anti-bribery and corruption policy; and b) ensure that the board or committee of the board is informed of any material breaches of that policy. | No | We are in the process of formalising an anti-bribery and corruption policy in accordance with our code of ethics that we promote in our Company. Bribery and corruption are against our stated values. |

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

| ASX Recommendations | Adopted? | Explanation |
|--|-----------------|--|
| <p>4.1 The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, and disclose: <ol style="list-style-type: none"> 1. the charter of the committee; 2. the relevant qualifications and experience of the members of the committee; and 3. 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>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> | Yes | <p>The Company has an Audit Committee.</p> <p>The Board has established the Committee primarily to assist with fulfilling its responsibilities for the oversight of the quality and integrity of the Company's financial reporting, audit process, and other risk management policies and practices.</p> <p>The Audit Committee comprises Robert Trzebski (Independent Non-Executive Director and Committee Chairman) who is not the Chair of the AGD Board, Pablo Vergara del Carril (Non-Independent Non-Executive Director), and Ben Jarvis (Independent Non-Executive Director). The majority of the members of the Audit Committee are Independent and possess the requisite expertise and industry experience necessary to effectively carry out the Committee's mandate. The composition of the Committee has remained unchanged for the entire year and at the date of this statement.</p> <p>The Audit Committee has a Charter approved by the Board. Its main responsibilities include:</p> <ul style="list-style-type: none"> • Reviewing half yearly and annual financial reports and other financial information publicly distributed; • Reviewing the implementation of major accounting policy changes; • Reviewing the adequacy of the reporting and accounting controls of the company; • Reviewing the results and findings of the external auditor, the adequacy of accounting and financial controls, and monitoring the implementation of any recommendations made; • Considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence and, if non-audit services are provided, reporting to the Board on whether the Committee is satisfied that the auditor's independence has not been compromised; • Determining the independence and effectiveness of the external auditor; • Making recommendations to the Board on the appointment, replacement and remuneration of the external auditor; • Reviewing the scope of the external audit, including identified areas of risk; and • Annually monitoring of the performance of the external auditor. |

| | | |
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| | | <p>The Board has retained responsibility for reviewing risk management and internal control systems. Audit Committee meetings are also attended by the external auditors and management representatives as required.</p> <p>A copy of the Audit Committee Charter can be found on the Company's website, www.australgold.com/corporate-governance-charters/</p> <p>Details of the Committee members' qualifications and attendance at Audit Committee meetings are set out in the Directors' report.</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 chief executive officer and chief financial officer 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. | Yes | <p>The CEO and CFO will provide a written declaration of assurance that in their opinion, the financial records of the Company for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>In the year ended 31 December 2020, CEO and CFO Declarations (as required under s295A of the Corporations Act 2001) were obtained in relation to the issue of the Company's Annual Report for year ended 31 December 2020, and its Quarterly Reports for the quarters ended 31 March 2020, 30 June 2020, 30 September 2020 and 31 December 2020.</p> |
| 4.3 A listed entity that has an annual general meeting should ensure that its external auditor attends its annual general meeting and is available to answer questions from security holders relevant to the audit. | Yes | It is both the Company's policy and the policy of KPMG (the Company's external auditor) to have a representative present at the Annual General Meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the Auditor's Report. |
| PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE | | |
| ASX Recommendations | Adopted? | Explanation |
| 5.1 A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it. | Yes | <p>The Company has a Continuous Disclosure Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the public.</p> <p>The Continuous Disclosure Policy can be found on the Company's website, www.australgold.com</p> |
| 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | Yes | We e-mail all board members with material market announcements just prior to the announcements or promptly after they have been made. |
| 5.3 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 | We release copies of any new and substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation. |

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

| ASX Recommendations | Adopted? | Explanation |
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| 6.1 A listed entity should provide information about itself and its governance to investors via its website. | Yes | Information about the Company and its operations is located at www.australgold.com Information about the Company's corporate governance (including links to the Company's Corporate Governance Policies and Charters) is also located on the website. |
| 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Yes | The Company has a Shareholders Communications Policy which is available on the Company's website www.australgold.com . The Board aims to ensure that the shareholders are well informed about the Company's activities Announcements, Annual Reports, Quarterly Reports and Notices of Meetings are posted on the Company's website www.australgold.com and www.sedar.com . Investors are able to contact the Company directly through its website or by other means as shown in the contact details listed on the Company's website, www.australgold.com |
| 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Yes | The Shareholder Communications Policy includes the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The policy is located on the Company's website. The Board encourages full participation of shareholders at Annual General Meetings and those who are unable to attend are encouraged to lodge their proxies in advance of the meeting. |
| 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 | All substantive resolutions at a meeting of security holders are decided by a poll. |
| 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | The Company gives security holders the option to receive communication from, and send communications to, the Company and its security registry electronically. |

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

| ASX Recommendations | Adopted? | Explanation |
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| 7.1 The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: 1. the charter of the committee; 2. the members of the committee; and 3. as at the end of each reporting period, the number of times the committee met throughout the period and the | No | The Company does not have a specific Risk Committee. The Board prefers to retain responsibility for reviewing risk management and internal control systems due to the size and nature of current operations. The Company recognizes the importance of risk management, and has adopted a Risk Management and Internal Compliance and Control Policy which describes the role and accountabilities of management and of the Board. The Board is responsible for ensuring that sound risk management strategy and policies are in place for the Company. The Board has responsibility for identifying and overseeing major risk areas and ensuring that systems are in place to manage them. Under the Company's Risk Management and Internal Compliance and Control Policy, the Responsibility for undertaking and assessing risk management and internal control effectiveness is |

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| <p>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> | | <p>delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back to the Board on whether risks are being managed effectively.</p> <p>Key elements of the Group's internal control systems include:</p> <ul style="list-style-type: none"> • The Code of Conduct, which sets out an ethical framework for Directors, Officers, employees and contractors in the conduct of the Group's business; • Financial reporting and budgeting systems, to provide timely, relevant and reliable information to management and the Board; and • Clearly defined guidelines for capital expenditures. <p>Management provides Directors and Officers with a weekly and monthly report discussing operations and material business risks the Group is currently facing and details of how they are being effectively managed.</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> | Yes | <p>As per the Company's Risk Management and Internal Compliance and Control Policy, the Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control. The Directors regularly receive and consider reports on, and monitor and discuss, known and emerging risk and compliance issues, including non-financial, operational and other business risks.</p> <p>This review has taken place in the most recent reporting period.</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> | Yes | <p>The Company does not have an internal audit function. In the Directors' view, a company of this size and stage of development does not require an internal audit function.</p> <p>The Company recognises the importance of risk management, and has adopted a Risk Management and Internal Compliance and Control Policy which describes the role and accountabilities of management and of the Board as disclosed under 7.2 above.</p> |
| <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> | Yes | <p>The Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management and Internal Compliance and Control Policy which is available on the Company's website, www.australgold.com</p> |
| PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY | | |
| ASX Recommendations | Adopted? | Explanation |
| <p>8.1 The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> | No | <p>Due to the size of the Company, it is more efficient for the full Board to review remuneration policy matters.</p> <p>The Board considers:</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> <ol style="list-style-type: none"> 1. the charter of the committee; 2. the members of the committee; and 3. 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>b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | | <ul style="list-style-type: none"> • Executive remuneration and incentive policies; • The Company's recruitment, retention and termination policies and procedures for senior management • Superannuation arrangements; and • The remuneration of Executive Directors, with Mr. Kasaneva excusing himself from the deliberations <p>As part of the review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for Non-Executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees paid to Non-Executive Directors approved by shareholders.</p> <p>The Company aims to ensure that the remuneration packages of Directors and senior executives properly reflect the person's duties, responsibilities and level of performance, as well as ensuring that remuneration is competitive in attracting, retaining and motivating people of the highest quality.</p> |
| <p>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.</p> | <p>Yes</p> | <p>All Non-Executive Directors are paid a fixed annual fee for their service to the Company.</p> <p>The Company aims to ensure that the remuneration packages of Senior Executives properly reflect the person's duties, responsibilities and level of performance, as well as ensuring that remuneration is competitive in attracting, retaining and motivating people of the highest quality.</p> |
| <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>No</p> | <p>The Company's shareholders approved the Company's Stock Incentive Plan at its 12 January 2020 Extraordinary General Meeting. It may offer equity based compensation to certain employees from time to time as remuneration. However, the Company does not have a policy with respect to an equity based remuneration scheme.</p> |
| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | |
| ASX Recommendations | Adopted? | Explanation |
| <p>9.1 A listed entity with a director who does not speak the language in which 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.</p> | <p>N/A</p> | <p>The Company does not have a director in this position so therefore this recommendation is not applicable.</p> |

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| 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | N/A | The Company is established in Australia and this recommendation is therefore not applicable. |
| 9.3 A listed entity established outside Australia, and an externally managed 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. | N/A | The Company is established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable. |