

CORPORATE GOVERNANCE

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INTRODUCTION

The Company has adopted a recognised Corporate Governance Code in line with accepted business practice for a company of its size. Application of the Code and compliance therewith are reviewed annually by the Board. This review takes place at the same time as the Annual Report and Accounts are prepared.

In order to help deliver growth in shareholder value, the Company and its' employees must maintain an efficient and dynamic structure that promotes effective communication amongst all stakeholders.

Corporate governance is a key component of Risk Management and the adding of value. As such, maintenance of good governance is taken seriously by the management of the Company and improvements are made where such actions will enhance overall performance.

PRINCIPLE 1

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

BUSINESS MODEL & STRATEGY

1. The Board and management must have consensus regarding the company's purpose, business model and strategy. Management must understand the steps that will be taken in the medium to long-term to achieve clearly defined goals. These steps also need to avoid unnecessary risk and aim to secure the long-term future of the company.

REVIEW & REVISION

1. The strategy is reviewed both annually and whenever required at board level.
2. A Strategic Report is commissioned annually by the Chairman.

PRINCIPLE 2

Seek to understand and meet shareholder needs and expectations

SHAREHOLDER COMMUNICATION

1. The company will communicate openly with shareholders, listening to their comments whilst clearly detailing strategy and the business model. Communicating with shareholders will allow the company to understand how it is perceived as well as what type and level of information shareholders wish to receive. Communication will take place via a number of media platforms including a dynamic website, roadshows, conferences, arranging presentations to shareholders and the use of the Regulatory News Service.

PRIVATE & INSTITUTIONAL SHAREHOLDERS

1. All shareholders are provided with an opportunity to meet the Board at the AGM. Notice is given ahead of any meeting. The Board and all of its committees are represented at the AGM and members are available to answer shareholders' questions. The outcome of the AGM is published on the Company's website. Institutional shareholders and larger private shareholders are often in contact with the Chief Executive Officer who addresses any concerns or queries the shareholder may have. The CEO provides feedback of these interactions to the rest of the Board.

PRINCIPLE 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success.

SOCIAL CONTRACT

1. Stakeholders are represented by employees, suppliers, contractors and the community.

PERSONNEL

1. Employees are aware that their company is committed to delivering a safe and healthy working environment without any prejudices where equal opportunities exist and where training and the opportunity for advancement is encouraged.

SUPPLIERS & CONTRACTORS

1. Contractors and suppliers are required to adopt the same Best Practice principles employed by the company. At the same time the company will afford any supplier or contractor the same access to safe and healthy working conditions available to all employees.
2. Whilst the company will provide the underlying framework for a safe working environment, suppliers and contractors are required to provide their own safety equipment and to carry the necessary employer and public liability insurance cover.

3. Different working environments require site-specific health and safety commitments. This is especially true of an exploration or mining environment. The company therefore provides induction courses for all new contractors, visitors and suppliers to site.

COMMUNITY

1. The company cannot operate efficiently unless it has the endorsement of the community in which it operates. It is incumbent on the company to keep the community up to date on any major action taken on site and to avoid misunderstandings or misinformation
2. As projects develop and advance towards production, the necessary independent environmental and social impact assessments are required. This includes providing the public forum for stakeholders to actively participate in the consultation process.

MODERN SLAVERY ACT 2015

1. The company opposes modern slavery in all its forms and will endeavour to prevent it at all times.

PRINCIPLE 4

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

RISK REGISTER

1. The company's risk management register must identify and address relevant risks if the company's strategy is to be delivered. This includes assessment on a wider scale including suppliers and contractors.
2. The Risk Register maintained by the company is a tool that allows the Board to firstly identify risks and secondly more accurately assess both the risk tolerance and appetite of the company.
3. The company clearly sets out the principal risks and uncertainties that are unique to the company and its operating environment. From this, the Board defines the risk profile and sets out mitigation to limit or eliminate risk.

AUDITING RISK

1. Internal controls have been put in place to identify, assess, manage and mitigate risk. Review is regularly undertaken by the Audit Committee and the Board in consultation with management.
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3. By its nature, risk can be unpredictable and it is recognised that the company cannot completely eliminate risk from the company's operations. Every effort is made to identify the full range of risks associated with operations and the board is of the opinion that the level of scrutiny applied to risk management is appropriate for a company of our size and capacity and taking into consideration the nature of business.

PRINCIPLE 5

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

COMPOSITION

1. The Board is composed of an Executive Chairman, one other Executive Director and three Non-Executive Directors. The biographies of the Board members can be found on the Home page of the website.
2. The Board has been chosen for its balance, diversified skill set and the independence the Non-Executives can provide.
3. Board meetings take place no less than Quarterly although the Board frequently meets on an ad hoc basis. The Audit Committee meets twice a year ahead of any audit and the Remuneration Committee meets annually ahead of the AGM. All committees are available to meet at any other time should the need arise.
4. There are no known conflicts of interest associated with any of the Directors of the Company.

PRINCIPLE 6

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

APROPRIATENESS & INDEPENDENT ADVICE

1. The Board has been selected to have the suitable and complementary range of financial, commercial, technical and environmental expertise required to manage the company.
2. In the event that the Board feels it does not have the requisite skill set for a particular aspect of day to day operations it will engage suitable expertise as a matter of course.

PRINCIPLE 7

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

BOARD MEMBER APPRAISAL

1. Regular review of effectiveness of the Board is encouraged along with a similar review of individual directors and committees. Review is carried out internally under the guidance of the Chairman.
2. The review takes into consideration a wide range of performance measures.

PRINCIPLE 8

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

ETHICAL VALUES & CONDUCT

1. The company should reflect the values of its Board and employees.
2. The company has adopted an Anti-corruption and Bribery Policy that has been explained to all management above a certain level in the company.

PRINCIPLE 9

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

STRUCTURE & PROCESS

1. Structures and processes should be maintained by the company that reflect the corporate culture and which can be maintained taking into account the company's size and capacity to implement and manage processes.
2. The framework should be flexible so that it can evolve as the company's circumstances change.

EVIDENCE & DISCLOSURE

1. The Corporate Governance section of the company's website illustrates the application of this Code, refers to Board composition and expertise and outlines the roles of various committees.

PRINCIPLE 10

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

BUSINESS MODEL & STRATEGY

1. Adoption of the principles of the QCA Code requires the company to disclose relevant information in the Annual Report.
2. The Annual Report contains a section on corporate governance in which the various committees that function throughout the year detail their composition and decisions taken.
3. Any feedback from stakeholders and both Institutional and private shareholders is communicated by the CEO to the board members.