

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Austral Gold Limited

ABN / ARBN:

30 075 860 472

Financial year ended:

31 December 2019

Our corporate governance statement² for the above period above can be found at:³

- ☐ 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 6 March 2020 and has been approved by the board.

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

Date: **6 March 2020**

David Hwang:



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	A listed entity should: (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 assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (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: (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☐ at <i>[insert location]</i> ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	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.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at http://www.australgold.com/Corporate-Governance ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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.	... information about us and our governance on our website: ☒ at www.australgold.com	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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 our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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 our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Statement

FOR THE YEAR ENDED 31 DECEMBER 2019

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 third 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 6 March 2020.

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	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. Management is responsible for the execution of the strategic direction as set by the Board. 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. The specific responsibilities of the Board include: • The appointment, evaluation, remuneration and if necessary the removal of senior executives; • Developing corporate objectives, strategy and operations plans, in conjunction with management; • 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.
1.2 A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	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. 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.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	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.
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	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
1.5 A listed entity should: 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 assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set	No	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. The Group does not currently have a formal policy concerning diversity and has not established measurable objectives for achieving gender diversity at this time. The Board is desirous of implementing a policy concerning diversity across the Group, however, given the size and location of the Group's operations (main operations are located in remote locations in Argentina and Chile), it has determined that it is not currently necessary or practicable to implement such a policy and to establish measurable objectives for achieving gender diversity.

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: 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 the Act.		The Board will further consider matters relating to diversity, including whether to establish formal policies and measurable objectives during 2020. For the year ended 31 December 2019, the number and proportion of women and men employed by Austral Gold was as follows: <table border="1" data-bbox="1088 240 1917 579"> <tr> <th></th><th>Women</th><th>Men</th></tr> <tr> <td>Whole Group</td><td>16 (3%)</td><td>476 (97%)</td></tr> <tr> <td>Senior Executives and Executives*</td><td>2 (13%)</td><td>14 (87%)</td></tr> <tr> <td>Board Members</td><td>0 (0%)</td><td>7 (100%)</td></tr> </table> *Senior Executives and Executives include all VPs and Managers reporting directly to the Board of Directors, the CEO or the CFO		Women	Men	Whole Group	16 (3%)	476 (97%)	Senior Executives and Executives*	2 (13%)	14 (87%)	Board Members	0 (0%)	7 (100%)
	Women	Men												
Whole Group	16 (3%)	476 (97%)												
Senior Executives and Executives*	2 (13%)	14 (87%)												
Board Members	0 (0%)	7 (100%)												
1.6 A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	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. 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.												
1.7 A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	All Senior Executives are subject to an Annual Performance Evaluation. Each year, performance targets are set for Senior Executives (including the CEO). These targets are aligned to the overall business goals and the Group's requirements of the position. In the case of the CEO, these targets are negotiated between the CEO and the Board and approved by the entire Board. 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. During the year ended 31 December 2019, Senior Executives did not take part in the Employee Performance Evaluation process, which are to be reviewed by the Board as the process generally occurs during the first few months of the calendar year.												

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX Recommendations	Adopted?	Explanation
2.1 The board of a listed entity should: a) have a nomination committee which: 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; or 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.	No	The Board has not established a Nomination Committee since, in the Directors' view, a company of this size and stage of development can best operate with the functions of a Nomination Committee undertaken by the full Board. 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.
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.	Yes	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. The mix of skills comprised in the current Board, and that the Board would look to maintain and to build on includes: • Mining industry expertise • Metallurgy and metals knowledge • Ability to think strategically • Leadership • High level of business acumen • 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 • Risk management • Investor relations and communications

2.3 A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; 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 c) the length of service of each director.	Yes	As at 31 December 2019, the Board consisted of: <table><tr><th>Name</th><th>Role</th><th>Independent?</th><th>Date appointed</th></tr><tr><td>Eduardo Elsztain</td><td>Non-Executive Chairman</td><td>No</td><td>29 June 2007</td></tr><tr><td>Saul Zang</td><td>Non-Executive Director</td><td>No</td><td>29 June 2007</td></tr><tr><td>Pablo Vergara del Carril</td><td>Non-Executive Director</td><td>No</td><td>18 May 2006</td></tr><tr><td>Stabro Kasaneva</td><td>Executive Director</td><td>No</td><td>7 October 2009</td></tr><tr><td>Wayne Hubert</td><td>Non-Executive Director</td><td>Yes</td><td>18 October 2011</td></tr><tr><td>Robert Trzebski</td><td>Non-Executive Director</td><td>Yes</td><td>10 April 2007</td></tr><tr><td>Ben Jarvis</td><td>Non-Executive Director</td><td>Yes</td><td>2 June 2011</td></tr></table>	Name	Role	Independent?	Date appointed	Eduardo Elsztain	Non-Executive 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	Wayne Hubert	Non-Executive Director	Yes	18 October 2011	Robert Trzebski	Non-Executive Director	Yes	10 April 2007	Ben Jarvis	Non-Executive Director	Yes	2 June 2011
Name	Role	Independent?	Date appointed																															
Eduardo Elsztain	Non-Executive 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																															
Wayne Hubert	Non-Executive Director	Yes	18 October 2011																															
Robert Trzebski	Non-Executive Director	Yes	10 April 2007																															
Ben Jarvis	Non-Executive Director	Yes	2 June 2011																															
2.4 A majority of the board of a listed entity should be independent directors.	No	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. 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. Stabro Kasaneva is not independent due to his executive role. Wayne Hubert, Robert Trzebski and Ben Jarvis are considered to be Independent, Non-Executive Directors. 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. 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.																																
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.	No	The Non-Executive Chairman, Eduardo Elsztain, is the ultimate beneficial holder of IFISA, the Company’s majority shareholder and as such, is not considered to be Independent. The Board believes that Mr Elzstain’s beneficial interests in the Company’s shares help to align his interests with those of other shareholders. He is an experienced and successful business person and as Chairman of Austral Gold, brings a wealth of experience, solid financial support and intimate knowledge of company affairs and has committed the necessary time to effectively discharge his role as Chairman.																																

2.6 A listed entity should have a program for inducing 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	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. 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.
---	-----	---

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendations	Adopted?	Explanation
3.1 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.	Yes	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; • 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.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

ASX Recommendations	Adopted?	Explanation
4.1 The board of a listed entity should: a) have an audit committee which: - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and - is chaired by an independent director, who is not the chair of the board, and disclose: - the charter of the committee; - the relevant qualifications and experience of the members of the committee; and - 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 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.	Yes	The Company has an Audit Committee. 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. 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. The Audit Committee has a Charter approved by the Board. Its main responsibilities include: • 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. 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. A copy of the Audit Committee Charter can be found on the Company's website, www.australgold.com/corporate-governance-charters/ Details of the Committee members' qualifications and attendance at Audit Committee meetings are set out in the Directors' report.

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	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. In the year ended 31 December 2019, 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 2019, and its Appendix 5B (Quarterly Reports) for the quarters ended 31 March 2019, 30 June 2019, 30 September 2019 and 31 December 2019.
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	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. The Continuous Disclosure Policy can be found on the Company's website, www.australgold.com
PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS		
ASX Recommendations	Adopted?	Explanation
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 Shareholder 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. Annual Reports, Quarterly Reports and Notices of General Meetings are posted on the Company's website, www.australgold.com and www.sedar.com along with other announcements made to the ASX. 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 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 sets out 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 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
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 individual attendances of the members at those meetings; or 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.	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 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. 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 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. Key elements of the Group's internal control systems include: ☐ 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. 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.

7.2 The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	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. This review has taken place in the most recent reporting period.
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 risk management and internal control processes.	Yes	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. 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.
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.	Yes	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

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX Recommendations	Adopted?	Explanation
8.1 The board of a listed entity should: a) have a remuneration committee which: - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director, and disclose: - the charter of the committee; - the members of the committee; and - 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 b) If it does 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	Yes	Due to the size of the Company, it is more efficient for the full Board to review remuneration policy matters. The Board considers: - 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 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. 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.

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	All Non-Executive Directors are paid a fixed annual fee for their service to the Company. 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.
8.3 A listed entity which has an equity based remuneration scheme should: 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 b) disclose that policy or a summary of it.	N/A	The Company does not have an equity-based remuneration scheme.