

# AUROCH MINERALS LIMITED

## CORPORATE GOVERNANCE STATEMENT 2020

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### 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.	Yes	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) is found under the Board Charter on its website.
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	<p>The function of the Nomination Committee is carried out by the Board to identify and recommend candidates to fill vacancies and to determine the appropriateness of director nominees for election to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals.</p> <p>As required under the ASX Listing rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Letters of appointment for each director and senior executive have been executed by the Company.
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	Noted in the letter of appointment of Company Secretary.

1.5	<p>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 assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(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</p> <p>(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>	Yes	<p>The company has a Diversity policy which can be found on its website.</p> <p>The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. The Company's policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.</p> <p>To drive diversity and inclusion within the Company, the Board has set the following objectives: To increase the percentage of women in the business and more specifically, in leadership roles, and actively promote a culture that values diversity, inclusion and flexibility. There are no women Board members or senior executives. No women are employed across the organisation and there are no women on the Board.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Process for Evaluating Board Performance is detailed in the Board Charter in and in the Performance Evaluation Policy. No performance evaluations of the Board were conducted during the reporting period.</p>
1.7	<p>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>It is the Company's policy that performance evaluations of senior executives are undertaken on an annual basis and will form part of the remuneration assessment. A performance evaluation did not take place during the reporting period.</p>

**PRINCIPLE 2 - STRUCTURE THE BOARD TO 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>	No	<p>The Company's Corporate Governance Plan includes a Nomination Committee Charter. The Corporate Governance Plan is available on the Company's website.</p> <p>The primary purpose of the Nomination Committee is to support and advise the Board in maintaining a Board with an appropriate mix of skills and experience and ensuring the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.</p> <p>Given the size of the Company, the operation of the Nomination Committee is currently conducted by the full Board. When appropriate, external consultants are engaged to assist in the nomination process and to ensure a balance of skills, knowledge, experience, independence and diversity is achieved.</p>																								
2.2	<p>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>	Yes	<p>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, corporate law, accounting and finance, equity markets and mining and geology.</p> <p>The Board Skills matrix for the current Board is as follows:</p> <table border="1" data-bbox="1317 911 2139 1311"> <thead> <tr> <th>✓</th> <th>Edward Mason</th> <th>Aidan Platel</th> <th>Michael Edwards</th> </tr> </thead> <tbody> <tr> <td>operational management</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>corporate law</td> <td>✓</td> <td>-</td> <td>-</td> </tr> <tr> <td>accounting &amp; finance</td> <td>✓</td> <td>-</td> <td>✓</td> </tr> <tr> <td>equity markets</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>mining and geology</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>	✓	Edward Mason	Aidan Platel	Michael Edwards	operational management	✓	✓	✓	corporate law	✓	-	-	accounting & finance	✓	-	✓	equity markets	✓	✓	✓	mining and geology	✓	✓	✓
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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.	Yes	The Company considers that Michael Edwards and Edward Mason are independent. The length of service of each director is set out below as at 30 September 2020: - Ed Mason: 10 months. - Aidan Platel: 12 months - Michael Edwards: 1 month
2.4	A majority of the Board of a listed entity should be independent directors.	Yes	The majority of the Board consists of independent 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 CEO of the entity.	Yes	The chair of the Board is an independent director and the roles of chair and CEO are not exercised by the same person.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.

### 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.	Yes	The Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broad community.
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**PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

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, 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>	No	<p>The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter which is available on the Company's website.</p> <p>The Board has not established a separate audit committee. The function of the Audit Committee is carried out by the full board as the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee</p> <p>Qualifications and experience of members of the Audit Committee are found under the directors' profile in both the Annual report and on the Company's website at Directors and Management.</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>	Yes	<p>The Audit Committee receives declarations from its CEO and CFO in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>Section 249K of the Corporations Act requires a Company to give its auditor a notice of a general meeting and section 250RA requires an auditor to attend a listed company's AGM.</p>

**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company's Corporate Governance Plan includes a continuous disclosure program. The Continuous Disclosure Policy is available on the Company's website.</p>
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**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.	Yes	<p>The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, such as the Board and Committee charters, securities trading policy, diversity policy and the latest Corporate Governance Statement.</p> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	<p>The Company encourages security holders to attend and participate in general meetings and makes itself available to meet investors and regularly responds to telephone or email enquiries from investors.</p>
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	<p>The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders.</p> <p>The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to be addressed through disclosure relating to that meeting.</p> <p>The Company's Shareholder Communication Policy is disclosed on the Company's website.</p>
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	<p>It is the Company's desire that shareholders receive communications electronically in the interests of the environment and constraining costs. In an endeavour to drive this objective the Company provides security holders the option to receive communications from, and to send communications to, the Company electronically.</p>

**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>	No	<p>The Board has not established a Risk Committee however it does have a Risk Policy which can be found on the company's website.</p> <p>Risk management is specifically discussed by the full Board at the Company's board meetings during the year. The Board considers that this process adequately monitors the Company's risk management framework.</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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Company's policy is to review its risk management framework annually. The Board has not reviewed the entity's risk management framework during the current reporting period.</p>
7.3	<p>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>	No	<p>Due to the size of the Company, the Board does not consider it necessary at this time, to formalise an internal audit function. The Board continually monitors the risk management and internal control processes adopted by the Company to ensure they are appropriate to the operations of the Company's group structure. The Board is satisfied with the current level of risk, risk management and control monitoring within the Company.</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.	Yes	<p>As discussed above, the Company identifies exposure to economic, environmental and social sustainability risks in a manner consistent with Risk Management and Internal Compliance and Control policy, which is available on the company's website.</p> <p>The Company has exposure to economic risk, including general economy wide economic risks and risks associated with the economic cycle.</p> <p>There will be a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be affected by these economic risks.</p> <p>The Company has in place risk management process and procedures to identify, manage and minimise its exposure to these economic risks where appropriate.</p> <p>The Company has exposure to environmental risks through exploration and development risk.</p> <p>The Company has in place risk management processes and procedures to identify, manage and minimise its exposure to these environmental risks where appropriate.</p> <p>The Board currently considers that the Company has no material exposure to social sustainability risk. The Company's Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs. The Code of Conduct sets out principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees when dealing with stakeholders.</p>
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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> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <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>	No	<p>Remuneration and Nomination Committee Charter is available on the website.</p> <p>The key responsibilities of the Remuneration Committee are undertaken by the full Board in accordance with the Remuneration and Nomination Committee Charter.</p>
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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	The Company has a Remuneration Policy which can be found on its website.
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>	Yes	<p>The Company does not currently have an equity based remuneration scheme. However, should one be introduced, the Securities Trading contains a hedging prohibition which states that members of key management personnel must not enter into an arrangement with anyone if that arrangement would have the effect of limiting exposure of the member to risk relating to an element of the member's remuneration that has not vested in the member or has vested in the member but remains subject to a holding lock.</p> <p>The Securities Trading Policy is available on the Company's website</p>