



**Corporate Governance Statement**

as extracted from

Cora Gold's Annual Report 2018 - Corporate Governance Report

~ ~ ~

Dated: 20 May 2019

# Corporate Governance Report

For the year ended 31 December 2018

The Quoted Companies Alliance Code (dated April 2018) ('QCA Code') takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies. The QCA Code is constructed around ten broad principles and a set of disclosures.

The Company's directors recognise the importance of sound corporate governance and with effect from 28 September 2018 the Company has adopted the QCA Code and has applied the ten principles of the QCA Code, except as specifically noted below. The Company's compliance with the QCA Code is as described below which sets out the manner of compliance with the QCA Code or states that the manner of compliance is described in the information provided on the Company's website at [www.coragold.com](http://www.coragold.com).

## Corporate Governance Statement

As the independent non-executive director and chairman of the board of directors of the Company (the 'board') it is my responsibility to ensure that the Company correctly implements and applies the ten principles of the QCA Code to support the Company in achieving its medium and long-term goals of identifying mineral resources through exploration for future development and eventual mining.

One area in which the Company's governance structures and practices differ from the expectations set by the QCA Code is as follows:

- currently the board comprises just one independent non-executive director. As stated below the Company is currently undertaking a recruitment process aimed at identifying an additional independent non-executive director. The board plans to make an announcement regarding this process in due course.

The key governance related matter to have occurred during 2018, including significant changes in governance arrangements, is the formal adoption of the QCA Code in compliance with the March 2018 announcement by the London Stock Exchange wherein, from 28 September 2018, all AIM companies will be required to apply a recognised corporate governance code and explain how they do so.

## The Principles of the QCA Code

*Principle 1: Establish a strategy and business plan which promote long-term value for shareholders*

Cora Gold has established a strategy and business plan which promote long-term value for shareholders. The strategy and business plan provides as follows:

- the principal activity of the Company and its subsidiaries (together the 'Group') is the exploration and development of mineral projects, with a primary focus on gold projects in West Africa. Currently the Group's activities are focused on two world class gold regions in Mali and Senegal in West Africa, being the Yanfolila Gold Belt (south Mali) and the Kedougou-Kenieba Inlier gold belt (also known as the 'Kenieba Window') (west Mali / east Senegal); and
- the strategy of the Company is to: conduct exploration on its portfolio of mineral properties; prove a resource compliant with an internationally recognised standard accepted in the AIM Rules for Companies; and establish preliminary economics on such resource for future development and eventual mining.

Cora Gold's business plan and strategy demonstrates how the Company's highly experienced and successful management team, which has a proven track record in making multi-million ounce gold discoveries that have been developed into operating mines, intends to deliver shareholder value in the medium to long-term.

The business and operations of the Group are subject to a number of risk factors. These risk factors and the Group's comments and mitigating actions against them are set out in the 'Strategic Report - Risk Factors' section of this Annual Report.

The strategy and business plan demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Company from unnecessary risk and securing its long-term future.

*Principle 2: Seek to understand and meet shareholder needs and expectations*

The board seeks to understand and meet shareholder needs and expectations by discussing the overall development of the Company's strategy regularly at meetings of the board. This issue will be a standing point of business at each board meeting. The board will also seek to develop a good understanding of the needs and expectations of all elements of the Company's shareholder base by asking the Company's registrar to keep the directors informed of the change in identity of any significant shareholders.

The board will work alongside its Nominated Adviser and other advisers to manage shareholders' expectations in order to seek to understand the motivations behind shareholder voting decisions. The board will take into account shareholder voting at any general meeting and any correspondence received by the Company from shareholders with respect to any matter relating to its business to further its understanding. Shareholders are encouraged to contact the Company - this can readily be done by e-mail submission to [info@coragold.com](mailto:info@coragold.com).

*Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success*

The board understands that the Company's long-term success relies upon good relations with a range of different stakeholder groups, both its internal workforce and its external suppliers, customers, regulators and others.

Cora Gold has identified the following internal stakeholders:

- the directors of the Company; and
- all members of the Company's management team (in compliance, administrative and field-based roles).

Cora Gold has identified the following external stakeholders:

- suppliers of goods and equipment;
- drilling contractors;
- assay laboratories;
- securities regulators;
- local governments (Mali and Senegal);
- ministerial departments responsible for administering mineral exploration activities to take place; and
- local communities.

The Company will take into account wider stakeholder and social responsibilities and their implications for long-term success.

Given the business and operations of the Company, matters may arise that impact on society and the communities within which it operates or the environments which may have the potential to affect the Company's ability to deliver shareholder value over the medium to long-term. In addition to integrating such matters into the Company's strategy and business plan, the Company has adopted a Health and Safety, Community Relations and Environmental Impact Policy which governs its social responsibility plans - the principal elements of this policy incorporate:

- health and safety responsibility;
- health and safety in the field environment (including supplies and camp conditions; infections / diseases; conflict evacuation; medical procedures and medical evacuation; vehicles; driving and passengers; travel; trenching; drilling; and mechanical equipment);
- community relations;
- environmental impact (planning; and minimising the impact of activities (including access; line cutting and soil sampling; trenching; drilling; field camps; and programme closure)); and
- reporting.

*Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation*

As described above, the Company's business and operations are subject to certain risks. The board receives monthly updates from management on operational, investor and public relations, finance and administrative matters. In addition the Company's directors are encouraged to liaise and meet with management on a regular basis to discuss matters of particular interest to each director. The Company's management have implemented effective risk management, considering both opportunities and threats, throughout the organisation.

The board shall ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver its strategy. The Company has considered its extended business, from key suppliers to end-customers in identifying and addressing risk.

The board has developed a strategy to determine the extent of exposure to the identified risks that the Company is able to bear and willing to take.

*Principle 5: Maintain the board as a well-functioning, balanced team led by the chair*

The board of directors have collective responsibility and legal obligation to promote the interests of the Company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the board. The Group holds board meetings at least four times each complete financial year and at other times as and when required.

The board consists of the following members:

### *Geoffrey ('Geoff') McNamara, Independent Non-Executive Director and Chairman*

Geoff is a partner at Medea Capital Partners, a UK-based, Financial Conduct Authority ('FCA') regulated internationally focused natural resources corporate advisory business. He is based in Singapore, representing the firm in the Asia-Pacific region, and has over 25 years of resources sector experience.

Having trained as a geologist, he subsequently moved into natural resources financing with 14 years' experience in resources fund management, project finance and corporate advisory, firstly at Société Générale and then at Pacific Road Capital Management. Prior to this, he had 11 years operational and development experience at Ivanhoe Mines in Mongolia, Lion Ore International and Western Mining Corporation.

Geoff is an Australian national, who graduated with a Bachelor's Degree in Geology and a Graduate Diploma in Applied Finance and Investment. He is a Member of the Australian Institute of Company Directors ('AICD') and the Australasian Institute of Mining and Metallurgy ('AusIMM'). Geoff is registered as an Authorised Person by the FCA in the UK.

### *Dr Jonathan ('Jon') Forster (PhD, MBA, FIMMM), Chief Executive Officer and Director*

Jon is an exploration geologist and has been involved in mineral projects in Africa and other parts of the world since 1980. In particular, he has focused on the junior gold exploration sector in Africa since 1990 initially with SAMAX Gold Inc., where, as the group exploration manager, he was closely involved with the grass roots multi-million ounce gold discovery of Kukuluma-Matandani in Tanzania, subsequently developed as part of the Geita Mine following the takeover of SAMAX by Ashanti Goldfields in 1998.

Later, as part of the team that founded AXMIN Inc. in 1999, he and Craig Banfield took the Company public onto the Toronto Venture Exchange in 2001. With the combined role of chief executive officer and head of exploration, he supervised the grass roots discovery and eventual completion of a bankable feasibility study for the multi-million ounce Passendro Gold Project in the Central African Republic, as well as gold discoveries in Mali (the Kofi Project, now being mined by Endeavour Mining Ltd) and Sierra Leone.

Having voluntarily stepped down as CEO from AXMIN at the end of 2007 to enable a development team to progress the Passendro Gold Project, he remained as head of exploration until 2008 at which time he left to co-found Bambuk Minerals Limited with Craig Banfield. Bambuk Minerals Limited remained a private company, where as chief executive and head of exploration, he oversaw the grass roots discovery and early resource drilling of the million-ounce Petowal gold project (now named 'Mako') in Senegal. The company was taken over in 2012 by the principal shareholder, Toro Gold Limited which is currently mining at Mako. Jon co-founded Cora Gold in 2012 with Craig Banfield.

In accordance with an employment agreement dated 13 September 2017 Jon Forster has committed seventy five percent (75%) of his time in carrying out his duties as Chief Executive Officer of the Company.

Jon has sufficient experience relevant to the style of mineralisation and type of deposit under consideration by the Group, and to the activity which he is undertaking to qualify as a Competent Person in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies.

#### *Robert ('Bert') Monro, Non-Executive Director*

Bert joined Hummingbird Resources plc ('Hummingbird') in 2009 as operations manager in charge with overseeing the development of the Dugbe Gold Project in Liberia as it progressed from greenfield exploration to maiden resources. Following 18 months in the field Bert spent 6 months in Monrovia as the acting country manager, overseeing all in-country activity, before returning to be based in London in April 2011 as Hummingbird's head of business development.

In accordance with a Relationship Agreement dated 3 October 2017 (the 'Relationship Agreement') Bert was appointed to the board of the Company as one of two nominees of Hummingbird. With effect from 6 December 2018 when Hummingbird's shareholding in the Company became less than 30% then, in accordance with the Relationship Agreement, Hummingbird no longer has the right to appoint two directors to the board of Cora Gold.

#### *David Pelham, Non-Executive Director*

David is a mineral geologist with over 35 years' global exploration experience. He has worked in over 40 countries in Africa, Europe, North and South America, the Middle East and Asia. He has been involved as technical director with new junior company start-ups and initiated numerous new exploration projects worldwide. He has worked in several West African countries, and oversaw the discovery and early evaluation of the +6 Moz Chirano Gold Mine in Ghana, as well as Hummingbird's 4.2 Moz Dugbe gold deposit in Liberia. He has been closely involved with a number of major discoveries of gold, copper-cobalt, coal, iron ore, chrome and uranium. Converted into in-situ gold-equivalent terms, these new discoveries add up to over 100 Moz of gold. Until 26 June 2018 David was a non-executive director of Hummingbird.

In accordance with the Relationship Agreement David was appointed to the board of the Company as one of two nominees of Hummingbird. With effect from 6 December 2018 when Hummingbird's shareholding in the Company became less than 30% then, in accordance with the Relationship Agreement, Hummingbird no longer has the right to appoint two directors to the board of Cora Gold.

#### *Paul Quirk, Non-Executive Director*

Paul has had over 10 years' operational experience in the Republic of Congo, having worked as country manager for MPD Congo SA (Zanaga Iron Ore Company) which listed on AIM in 2010. He started his own logistics company in the Congo, Fortis Logistique Limited in 2009, and subsequently co-founded Lionhead Capital Partners ('Lionhead'), a principal investment firm that invests private capital into attractive long-term opportunities. Paul is currently the head of resources strategy and a partner at Lionhead.

# Corporate Governance Report continued

For the year ended 31 December 2018

As at 31 December 2018 the interests of the directors and their families (within the meaning set out in the AIM Rules for Companies) in the securities of the Company, all of which are beneficial (save the share options granted in relation to the services of Robert Monro (see table below)), and the existence of which is known or could, with reasonable diligence, be ascertained by that director, are as follows:

	Number of ordinary shares	Share options <sup>^</sup> over number of ordinary shares
Geoffrey McNamara	1,604,242 <sup>1</sup>	325,000
Jonathan Forster	1,040,200	400,000
Robert Monro	48,000	275,000 <sup>2</sup>
David Pelham	–	275,000
Paul Quirk	8,107,939 <sup>3</sup>	275,000

<sup>^</sup> share options over ordinary shares of no par value in the capital of the Company exercisable at 16.5 pence per ordinary share (being the issue price of the ordinary shares under the Placing which took place in connection with the Company's Admission to trade on AIM in October 2017) and expiring on 18 December 2022

<sup>1</sup> held through Tanamera Resources Pte Ltd, a company wholly owned by Geoffrey McNamara

<sup>2</sup> in accordance with a Relationship Agreement dated 3 October 2017 share options are awarded to Hummingbird Resources plc in relation to the services of Robert Monro

<sup>3</sup> held through Key Ventures Holding Ltd, the sole shareholder of which is First Island Trust Company Limited as Trustee of The Sunnega Trust of which Paul Quirk is a beneficiary

The Group has established properly constituted audit, remuneration and nominations, and AIM compliance and corporate governance committees of the board with formally delegated duties and responsibilities, summaries of which are set out below:

## *Audit committee*

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts, and the accounting and internal controls in use throughout the Group. The audit committee meets at least twice a year. The members of the audit committee are Geoffrey McNamara (chair of the committee) and Paul Quirk.

## *Remuneration and nominations committee*

The remuneration and nominations committee is responsible for providing recommendations to the board on matters including the composition of the board and competencies of directors, the appointment of directors, the performance of the executive directors and senior management, and making recommendations to the board on matters relating to their remuneration and terms of employment. The committee will also make recommendations to the board on proposals for the granting of shares awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time. The remuneration and nominations committee meets at least twice a year. The members of the remuneration and nominations committee are Geoffrey McNamara (chair of the committee), Robert Monro and David Pelham.

### AIM compliance and corporate governance committee

The role of the AIM compliance and corporate governance committee is to ensure that the Company has in place sufficient procedures, resources and controls to enable it to comply with the AIM Rules for Companies and ensure appropriate wider corporate governance. The AIM compliance and corporate governance committee is responsible for making recommendations to the board and proactively liaising with the Company's Nominated Adviser on compliance with the AIM Rules for Companies and broader corporate governance issues. The AIM compliance and corporate governance committee also monitors the Company's procedures to approve any share dealings by directors or employees in accordance with the Company's share dealing code. The AIM compliance and corporate governance committee meets at least twice a year. The members of the AIM compliance and corporate governance committee are Geoffrey McNamara (chair of the committee), Robert Monro and Paul Quirk.

Below is a table summarising the attendance record of each director at board and committee meetings held during 2018:

	Board	Committee		
		Audit	Remuneration and nominations	AIM compliance and corporate governance
Number of meetings held:	4	2	2	2
Number of meetings attended:				
Geoffrey McNamara	4	2	2	2
Jonathan Forster	4	–	–	–
Robert Monro	4	–	2	2
David Pelham	4	–	2	–
Paul Quirk	4	1	–	1

As chairman of the board I believe I lead a well-functioning and balanced team on the board.

#### *Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities*

The biographical details of the directors are set out above. The biographies demonstrate that the board has an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The directors understand the need for diversity, including gender balance, as part of its composition and will keep this under review. The Company is currently undertaking a recruitment process aimed at identifying an additional independent non-executive director. Currently the Company's board of directors, comprising five persons, has one independent non-executive director, being myself. The board plans to make an announcement regarding this process in due course.

The board is not dominated by one person or a group of people. Although certain members of the board have worked together previously these personal bonds are utilised to improve the operation and management of the Company and the directors are cognisant of the need to ensure that such relationships do not divide the board.

The board understands that as companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change. The board has identified the need for the following additional experience, skills and capabilities:

- finance and accounting; and
- administration.

Such requirements will be borne in mind when any additional directors are appointed.

*Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

The board has adopted a policy to evaluate board's performance based on clear and relevant objectives, seeking continuous improvement. The clear and relevant objectives that the board has identified are as follows:

- suitability of experience and input to the board;
- attendance at board and committee meetings; and
- interaction with management in relevant areas of expertise to ensure insightful input into the Company's business.

The board will review on a regular basis the effectiveness of its performances as a unit, as well as that of its committees and the individual directors, based against the criteria set out above.

The board performance review will be carried out internally from time to time, and at least annually. The review should identify development or mentoring needs of individual directors or the wider senior management team.

As part of the performance review, the board will consider whether the membership of the board should be refreshed. The review will also identify any succession planning issues and put in place processes to provide for succession planning.

As regards notable remuneration and nominations committee work undertaken during 2018, in December 2018 the committee reviewed board and senior management performance and noted that:

- both senior management and non-executive directors make material contributions; and
- senior management perform very well in terms of corporate administration and governance, and in delivering work programmes on tight budgets and with good results.

*Principle 8: Promote a corporate culture that is based on ethical values and behaviours*

The board promotes a corporate culture that is based on ethical values and behaviours. The board considers it an asset and source of competitive advantage to undertake its business and operations in an ethical manner. As such the Company has adopted a number of policies:

- Code of Conduct: This includes matters such as: compliance with law; disclosure of information; accounting records and practices; fair dealing; conflicts of interest; corporate opportunities; use of company property; safety and environmental protection; fundamental rights; responsibility; where to seek clarification; and reporting breaches;
- Group Anti-Corruption and Anti-Bribery Policy: The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the board has adopted an anti-corruption and anti-bribery policy;
- Share Dealing Code: The Company has adopted a share dealing code for dealings in securities of the Company by directors and certain employees which is appropriate for a company whose shares are traded on AIM. This share dealing code is based on the model code developed by the QCA and the Institute of Chartered Secretaries and Administrators. This constitutes the Company's share dealing policy for the purpose of compliance with UK legislation including the Market Abuse Regulation and the relevant part of the AIM Rules for Companies. Furthermore, insider legislation set out in the UK Criminal Justice Act 1993, as well as the provisions relating the market abuse, apply to the Company and dealings in its ordinary shares; and
- Social Media Policy: The board has adopted a social media policy which is designed to minimise the risks to the Company's business arising from, and to assist directors and employees in making appropriate decisions about, the use of social media. In particular, the policy provides guidance that the disclosure on social media of commercially sensitive, price sensitive, private or confidential information relating to the Company is prohibited.

The policy set by the board is obvious in the actions and decisions of the chief executive officer and the rest of the management team. Our corporate values guide the objectives and strategy of the Company and drive the strategy and business plan adopted by the board.

The culture is visible in every aspect of the business, including recruitments, nominations, training and engagement. The Company's performance and reward systems endorse the desired ethical behaviours across all levels of the Company.

*Principle 9: Maintain governance structures and processes that are fit for purpose and promote good decision-making by the board*

I believe the Company has adopted, and will maintain, governance structures and processes that are fit for purpose and support good decision-making by the board. As noted above, the Company has an audit committee, remuneration and nominations committee, and an AIM compliance and corporate governance committee. The board believes these committees provide for governance structures and processes in line with its corporate culture and appropriate to its size and complexity; and capacity, appetite and tolerance for risk.

These governance structures may evolve over time in parallel with the Company's objectives, strategy and business plan to reflect the development of the Company.

*Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders*

The Company maintains a website at [www.coragold.com](http://www.coragold.com) which provides information about the Company's business plan and strategy and provides updates on its operations and governance. In addition, the Company will maintain a dialogue with shareholders and other relevant stakeholders by the issue of press releases as required by AIM.

The Company has adopted a communication and reporting structure which sets out the manner of open communication between the board and all constituent parts of its shareholder base. From time-to-time the Company will participate in investor focused conferences and forums, and the Company will endeavour to make prior announcement of such engagements such that shareholders of the Company may wish to attend themselves and meet with those members of the board and / or senior management who may be present. All members of the board and senior management are encouraged to attend the Company's Annual General Meeting when shareholders in attendance will be encouraged to ask questions of the board and the Company's management. This structure will assist:

- the communication of shareholders' views to the board; and
- the shareholders' understanding of the unique circumstances and constraints faced by the Company.

The 'Remuneration Report' section of this Annual Report sets out a number of matters including: the responsibilities and duties, and membership of the remuneration and nominations committee; remuneration of directors (both executive and non-executive) and senior management; policy on remuneration; pensions; and notable work of the remuneration and nominations committee undertaken during 2018.

Notable work undertaken during 2018 by other board committees includes:

- in May 2018 the audit committee met with the Company's independent auditor in connection with the audit of the group financial statements of Cora Gold Limited for the year ended 31 December 2017, and it was noted that there were no material matters arising; and
- in September 2018 the AIM compliance and corporate governance committee reviewed the QCA Code and oversaw the Company's adoption thereof, including its application of the ten principles of the QCA Code.

---

In conclusion I am pleased to lead a board and a Company that continues to strive to make improvements in all areas of its activities with a view to ultimately benefiting all of our stakeholders.

I hope that you embrace our philosophy and approach to conducting our business, as we continue to look forward to being able to report back to you on our developments.

Approved by the board of directors and signed on behalf of the board of directors on 20 May 2019.

**Geoffrey McNamara**

*Independent Non-Executive Director and Chairman*

20 May 2019