



## **Corporate Governance Statement**

as extracted from

Annual Report 2019  
Corporate Governance Report (pages 33 - 41)

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Dated: 15 May 2020

# Corporate Governance Report

For the year ended 31 December 2019

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 2019 is a review of the Company's compliance with the QCA Code which was adopted by the Company in September 2018.

## The Principles of the QCA Code

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

Cora 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'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 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 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 has 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.

Following the resignation on 12 November 2019 of Geoffrey McNamara as an independent non-executive director and chairman of the board the Company currently has four directors (see below), one of whom is deemed to be an independent non-executive director for the purposes of corporate governance. The board of directors intends to undertake a search for an additional independent non-executive director and will update the market accordingly in due course.

The board consists of the following members:

*Edward ('Ed') Bowie, Independent Non-Executive Director and Chairman*

Ed has over 23 years' experience within the wider natural resources industry. He started his career with SAMAX Gold in Tanzania before going on to work in equity research and corporate finance roles, and then serving as fund manager for Altus Capital Limited's two mining funds. More recently he served as Head of Business Development at London-listed Amara Mining plc, managing the process that led to the company's acquisition.

Ed is deemed independent for the purposes of corporate governance by virtue of the Company considering him to be of independent character and judgement.

*Robert ('Bert') Monro, Chief Executive Officer and Director*

Bert joined Hummingbird Resources plc ('Hummingbird') in 2009 as operations manager, charged 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 03 October 2017 (the 'Relationship Agreement') Bert was appointed to the board of the Company as one of two nominees of Hummingbird. With effect from 06 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. Hummingbird continues to be a significant shareholder of the Company, currently holding 12.25%. On 01 July 2019 Bert resigned as a non-executive director to fill the newly created position of Business Development at Cora. On 02 January 2020 Bert was re-appointed a director and took over the role of Chief Executive Officer, following the resignation of Jonathan Forster who remains as Cora's Head of Exploration.

Bert is deemed non-independent for the purposes of corporate governance by virtue of being an executive officer of the Company.

### 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. David is also a non-executive director of Oriole Resources PLC (AIM: ORR).

David is deemed non-independent for the purposes of corporate governance because until 26 June 2018 he was a director of Hummingbird. Furthermore, in accordance with a Relationship Agreement dated 03 October 2017 David was appointed to the Board of the Company as one of two nominees of Hummingbird. With effect from 06 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. Hummingbird continues to be a significant shareholder of the Company, currently holding 12.25%.

### 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.

Paul is deemed non-independent for the purposes of corporate governance by virtue of his shareholding in the Company.

On 02 January 2020 Jonathan Forster resigned as a director and Chief Executive Officer. Jonathan Forster remains as Cora's Head of Exploration.

The Company's Chief Financial Officer, Craig Banfield, is an executive officer of the Company. Mr Banfield also holds the position of Company Secretary. Cora upholds the values of independence in the composition of its board and as such the directors are of the opinion that appointing Mr Banfield to the board at this juncture, given the nature of the Company's business and its relatively small board size, could dilute the significance of such independence. As Company Secretary Mr Banfield is in attendance at board meetings.

As at 31 December 2019 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, 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 at 16.5p <sup>^</sup> over number of ordinary shares	Share options at 8.5p <sup>*</sup> over number of ordinary shares
Edward Bowie	150,984	–	300,000
Jonathan Forster (resigned 02 January 2020)	1,170,070	400,000	1,250,000
David Pelham	–	275,000	300,000
Paul Quirk	11,854,689 <sup>a</sup>	275,000	300,000

<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 and expiring on 18 December 2022

<sup>\*</sup> share options over ordinary shares of no par value in the capital of the Company exercisable at 8.5 pence per ordinary share and expiring on 09 October 2023

<sup>a</sup> held personally and through Key Ventures Holding Limited, which is wholly owned and controlled by First Island Trust Company Limited as Trustee of The Sunnega Trust, a discretionary trust with a broad class of potential beneficiaries. Paul Quirk is a potential beneficiary of The Sunnega Trust.

On 02 January 2020 Robert Monro was appointed Chief Executive Officer and a director of the Company.

As at the date of this report 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, and the existence of which is known or could, with reasonable diligence, be ascertained by that director, are as follows:

	<b>Number of ordinary shares</b>	<b>Share options at 16.5p <sup>^</sup> over number of ordinary shares</b>	<b>Share options at 8.5p <sup>*</sup> over number of ordinary shares</b>
Edward Bowie	361,510	–	300,000
Robert Monro	1,200,039	–	2,500,000
David Pelham	–	275,000	300,000
Paul Quirk	11,854,689 <sup>a</sup>	275,000	300,000

<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 and expiring on 18 December 2022

<sup>\*</sup> share options over ordinary shares of no par value in the capital of the Company exercisable at 8.5 pence per ordinary share and expiring on 09 October 2023

<sup>a</sup> held personally and through Key Ventures Holding Limited, which is wholly owned and controlled by First Island Trust Company Limited as Trustee of The Sunnega Trust, a discretionary trust with a broad class of potential beneficiaries. Paul Quirk is a potential beneficiary of The Sunnega Trust.

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

#### *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. As at the date of this report the members of the AIM compliance and corporate governance committee are Edward Bowie (chair of the committee), David Pelham and Paul Quirk. During the year ended 31 December 2019 the members of the AIM compliance and corporate governance committee were as follows:

- up to 01 July 2019: Geoffrey McNamara (chair of the committee), Robert Monro and Paul Quirk;
- from 01 July to 12 July 2019: Geoffrey McNamara (chair of the committee), Edward Bowie and Paul Quirk;
- from 12 July to 12 November 2019: Geoffrey McNamara (chair of the committee), Edward Bowie and David Pelham; and
- from 12 November 2019: Edward Bowie (chair of the committee), David Pelham and Paul Quirk.

# Corporate Governance Report continued

For the year ended 31 December 2019

## 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. As at the date of this report the members of the audit committee are Edward Bowie (chair of the committee), David Pelham and Paul Quirk. During the year ended 31 December 2019 the members of the audit committee were as follows:

- up to 12 July 2019: Geoffrey McNamara (chair of the committee) and Paul Quirk;
- from 12 July to 12 November 2019: Geoffrey McNamara (chair of the committee), Edward Bowie and David Pelham; and
- from 12 November 2019: Edward Bowie (chair of the committee), David Pelham 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. As at the date of this report the members of the remuneration and nominations committee are Edward Bowie (chair of the committee), David Pelham and Paul Quirk. During the year ended 31 December 2019 the members of the remuneration and nominations committee were as follows:

- up to 01 July 2019: Geoffrey McNamara (chair of the committee), Robert Monro and David Pelham;
- from 01 July to 12 July 2019: Geoffrey McNamara (chair of the committee), Edward Bowie and David Pelham;
- from 12 July to 12 November 2019: Geoffrey McNamara (chair of the committee), Edward Bowie and Paul Quirk; and
- from 12 November 2019: Edward Bowie (chair of the committee), David Pelham and Paul Quirk.

Below is a table summarising the attendance record of each director at board and committee meetings held during the year ended 31 December 2019:

	Board	Committee		
		AIM compliance and corporate governance	Audit	Remuneration and nominations
Number of meetings held:	6	2	2	3
Number of meetings attended (absent):				
Geoffrey McNamara <i>(resigned 12 November 2019)</i>	5 (0)	1 (0)	1 (0)	2 (0)
Jonathan Forster	6 (0)	–	–	–
Edward Bowie <i>(appointed 01 July 2019)</i>	3 (0)	2 (0)	1 (0)	2 (0)
Robert Monro <i>(resigned 01 July 2019)</i>	2 (1)	–	–	0 (1)
David Pelham	6 (0)	2 (0)	1 (0)	2 (0)
Paul Quirk	6 (0)	1 (0)	2 (0)	2 (0)

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. Currently the Company's board of directors, comprising four persons, has one independent non-executive director, being myself. The board of directors intends to undertake a search for an additional independent non-executive director and will update the market accordingly 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. Following a review by the AIM compliance and corporate governance committee during 2019 it is considered that at this stage there is no need to seek additional experience, skills and capabilities on the board.

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

The board has adopted a policy to evaluate the 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 2019, in September 2019 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 AIM compliance and corporate governance, audit, and remuneration and nominations committees. 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 2019.

A separate 'Audit Committee Report' has not been included in this Annual Report on the grounds that there were no material matters arising either during 2019 or subsequently.

Notable work undertaken during 2019 by other board committees includes:

- in May 2019 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 2018, and it was noted that there were no material matters arising; and
- in October 2019 the AIM compliance and corporate governance committee reviewed the Company's compliance with the QCA Code which was adopted by the Company in September 2018.

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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 15 May 2020.

**Edward Bowie**

*Independent Non-Executive Director and Chairman*

15 May 2020