

# CORPORATE GOVERNANCE STATEMENT FOR FINANCIAL YEAR ENDING 30 JUNE 2021

*This statement sets out how Citigold Corporation Limited (ABN 30 060 397 177) achieved compliance with ASX Corporate Governance Principles and Recommendations throughout the financial year ending 30 June 2021.*

Governance disclosures referred to in this document, as well as the Company's Annual Report, are located on the Company's website at:

Corporate Governance: <https://www.citigold.com/corporategovernance>

Annual Report: <https://www.citigold.com/annualreports/>

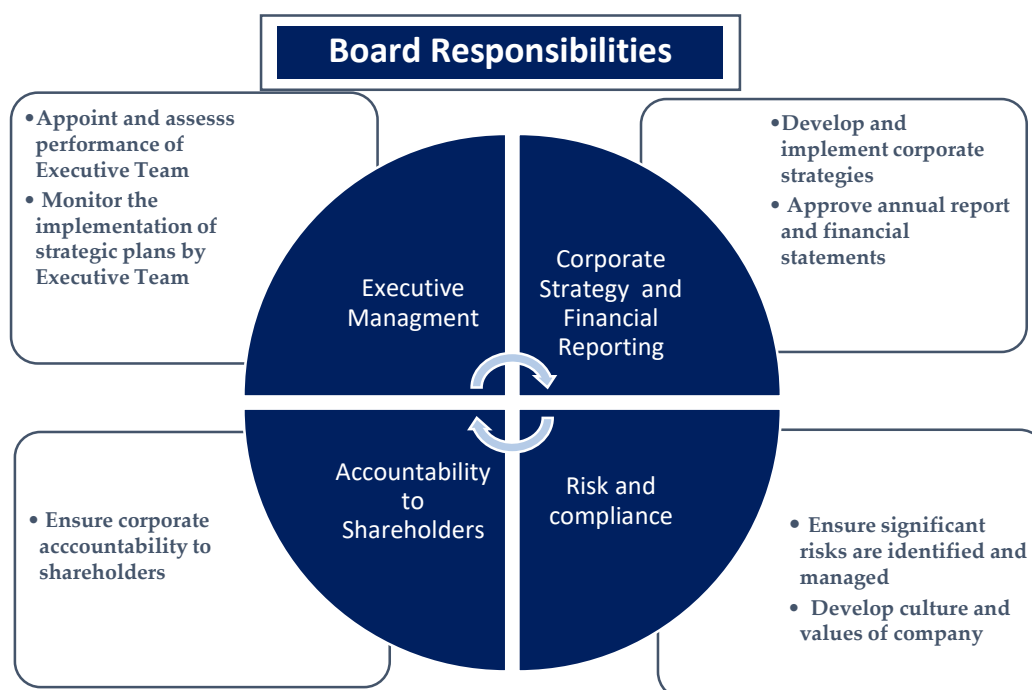
In developing Citigold Corporation Limited's (Citigold) corporate governance framework, the Board has taken into consideration the ASX Corporate Council's *Corporate Governance Principles and Recommendations 4<sup>rd</sup> Edition*. This statement outlines how Citigold's corporate governance practices and policies align with those recommendations and in the occasion where the Company's corporate governance practices do not correlate with the recommendations, where the Company does not consider that the practices are appropriate for the Company due to the size of the Company or its Board.

As the Company develops and grows in complexity, the requirements will differ, and the Board reviews the policies and procedures adopted, on an annual basis, to make sure that they align to the current requirements. The relevant principles are listed below.

## 1. Lay Solid Foundation for Management and Oversight

1.1 (a) The Board of Director's primary role is to set corporate direction, governance, defining broad policy and governs the business in such a way that protects the rights and enhances the interests of shareholders.

1.1 (b) As the Board acts on behalf of and is accountable to shareholders, the Board seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. The Board Charter sets out the principal function and responsibility of the Board:



The Board has delegated responsibility for the day to day operation and administration of the Company to the Chief Executive Officer (CEO) and the executive management team.

## Directors Election

1.2 (a) Directors annually review the Board structure, size and composition to ensure it has adequate skills, expertise and experience demanded by objectives of the company. Nominations to the Board are dealt with by the Nomination & Remuneration Committee, who review the appropriate external checks before the Director, or Senior Executive is appointed.

The Nomination & Remuneration Committee ensures that each Director up for election brings relevant complementary skills and experience to the Board covering the areas of legal, finance and operations.

1.2 (b) Information on skills, experience and expertise relevant to the position of each of the Director/s up for election is distributed through the Notice of Annual General Meeting so that all shareholders can know about the Directors they are voting for.

The Company's Constitution specifies that a third of the Directors must, by rotation, retire from office at each Annual General Meeting (AGM). If the number is not a multiple of 3, then the number nearest to but not exceeding one-third shall retire from office. Where eligible, a Director may stand for re-election.

1.3 It is vital that new Directors understand the nature of the business, current issues, strategic direction and expectations of Citigold regarding the performance of Directors. Directors and Senior Executives are given a written agreement and full briefing on the company by the Chairman.

1.4 The Company Secretary will assist the Board to operate in an efficient manner. The Company Secretary is accountable to the Board, through the Chairman, for all matters to do with the proper function of the Board.

## 1.5 Diversity Policy

Citigold believes that a diverse workforce brings about the different range of ideas, perspective and experience that will help the company realise its corporate goals.

Citigold establishes its commitment to diversity by:

- 1) Facilitating an inclusive culture that values and promotes the importance of diversity and respects differences in gender, age, ethnicity and cultural background.
- 2) Attracting and selecting a skilled and diverse workforce.
- 3) Assisting personnel to fulfil their potential by providing access to development opportunities when they arise.
- 4) Helping personnel with specific barriers to building a sustainable mining career, such as domestic and cultural responsibilities, by developing flexible work arrangements.
- 5) The setting, reviewing and reporting annually measurable targets.

1.5(b) While subjecting the following objectives of appointment to be made based on merit, the Board has adopted the targets listed in the table below:

TARGET	30 June 2021
>15% Female Personnel Whole of workforce	18% Female personnel- Mine is in care and maintenance mode; No further recruitment is being conducted at this point in time. This will be reviewed when off care and maintenance, increasing the target to >25%.
>1 Female Board Member >15% Female Senior Executive	No Female Board Member or Senior Executive at this time – Board number was reduced to three in October 2020 and in keeping with reduced business activity, remaining this way during 2021.

1.5(c) The diversity performance and targets are disclosed above.

## Review of Directors, Board and Management Performance

Citigold considers the evaluation of Directors' and Senior Executives' performance as important in establishing a culture of performance and accountability. Each Director is provided with a written agreement setting out the terms of the appointment.

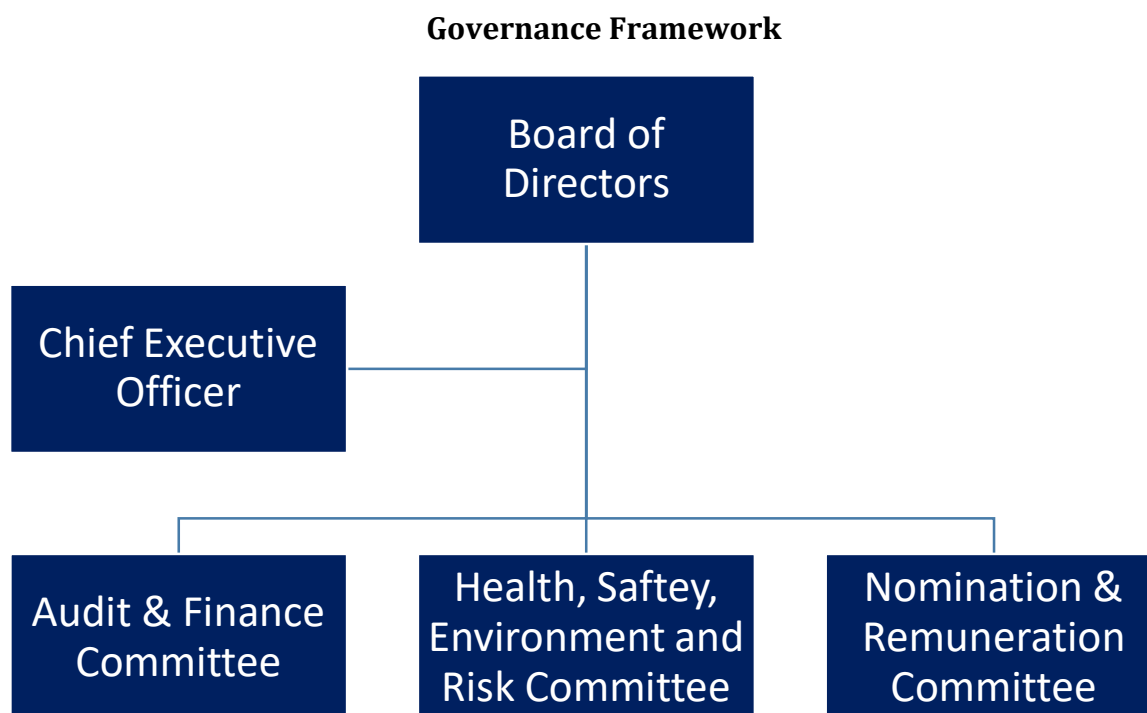
1.6 The Board and Director's performance is reviewed on an annual basis and was conducted during the 2021 financial year. The goals of review are based upon each Director's contribution to Board objectives and the objectives of Board committees in which the Director participates. The Chairman has provided each Director with confidential feedback on performance in and where appropriate, used to develop a development plan for each Director during the year. The Board Committees are not reviewed because all directors participate in the Committees and across all the issues.

1.7 Senior Executives are reviewed on an annual basis by the Chairman of the Board and was conducted during the 2021 financial year. The non-executive members of the Nomination & Remuneration Committee reviews the CEO annually.

At the AGM, the shareholders will have the opportunity to voice their opinion on the performance of the Board. This is done via the election process and shareholders will be able to vote for Directors that are up for reelection.

## **2. Structure & Composition of the Board to Add Value**

The Board has several committees to facilitate the execution of its duties. Each committee has its own autonomy with authority delegated to it by the Board and the manner in which the committee is to operate. Citigold believes that the current committees are appropriately sized as it has adequate skills, expertise and experience to discharge its responsibilities.



### 2.1 Nomination & Remuneration Committee

2.1(a) The Nomination & Remuneration Committee consists of the following Non-Executives and Executive Director: J Foley (Chairman), Dr S Acharya and M Lynch. As noted previously, Citigold believes that the current committees are appropriately sized as it has adequate skills, expertise and experience to fulfil its responsibilities. A formal charter for the Nomination & Remuneration Committee has been adopted since September 2005.

The Nomination & Remuneration Committee's key responsibilities are:

- Assess the necessary and desirable competencies of Board members
- Review Board succession plans
- Evaluate Board and individual Director's performance
- Review of remuneration framework for non-executive Directors

The Nomination & Remuneration Committee met once during the year, members in attendance are set out in the Director's Report of the Annual Report.

## 2.2 Board Skills and Experience

The Board aims to have a diverse range of skills across its members so that they are able to cover all the skills necessary to discharge their responsibilities in order to be a proper functioning Board.

During the 2021 financial year, the Board continued to develop and review its skills matrix to identify individual and collective relevant skills of the Board.

The Matrix on this page sets out those strong skills that were identified in the 2021 financial year board review.

The skills matrix will also be used when considering appropriate future Board members so that they complement the existing skills and experience of the Board.

ASX-Listed Experience	Legal
Operational Experience	Negotiation
Environmental	Governance
International & Domestic Funding	CEO Experience
Industry Technical Skills	Marketing
Financial and Commercial Acumen	Risk Management
Native Title Negotiations	Capital Raising
Community Engagement	Contracts
Regulatory & Government Policy	Innovation & I.T

## 2.3 Board Composition and Independence

In accordance with the Board Charter and ASX Recommendations, the majority of the Board preferably comprises Non-Executive Directors. All Non-Executive Directors are regarded as independent and free of any relationship that may conflict with the interest of the company.

2.3(a)(b)(c)The table below provides the current Directors, tenure and if they are deemed to be independent

Name	Classification	Appointed	Independent
Mark Lynch	Executive	2 July 1993	No
John Foley	Non-Executive	2 July 1993	Yes
Dr Sibasis Acharya	Non-Executive	21 June 2016	Yes

2.4 The Board has reviewed the interests, positions and associations of each of the Directors, at the time of this report, determined that the non-executive members are independent. One of the Directors is an Executive Director and therefore, considered not to be independent.

The current Board has a greater proportion of non-executive members to executive members and deemed appropriate by the Board for the Company's current size and requirements; this is within the currently preferred composition.

2.5 The current Chair of the Board is not independent and holds the position of CEO. This dual role was deemed by the Board to be appropriate given the current size of the Company and its current requirements.

### 2.6 Director Induction and Education

Citigold Corporation Limited has the policy to educate new Directors about the nature of the business and current issues, strategic direction and expectations of Citigold in regards to the performance of Directors. New Directors undergo an induction process in which they will be given a full briefing on the company by the Chairman and an induction pack. This is preferably followed by a meeting with key executives, a tour of mining operation and presentation. Directors and the Senior Executives are also given access to continuing education opportunities to develop their skills and knowledge in the area of governance processes and in the company's industry.

## **3. Promote Ethical and Responsible Decision Making**

3.1 All Directors, executives and staff of the consolidated entity are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange, the Corporations Act with regard to trading in the Company's securities and appropriate standards of ethical conduct with regard to the operation of the consolidated entity. The entity strives to work in harmony with the local community and the environment and actively engages in dialog with appropriate stake holders.

The values of the Company are:

- Make a positive difference in the world
- Excellence
- Respect and responsibility
- Equity and Justice
- Environmental sustainability

### 3.2 Code of Conduct

A Code of Conduct (the Code) as adopted by the Board, sets out ethical standards expected of all Directors, executives and employees. The Code is reviewed and updated as necessary to generally reflect industry standards of integrity and professionalism. The Code covers:

- Professional Conduct
- Other Employees
- Conflicts of Interest
- Customer and Supplier Relations
- Compliance with Laws and Regulations
- Confidential Information

3.3 & 3.4 The entity is to hold and disclose the following policies: Whistleblower, Anti-bribery and Corruption Policy.

The Company Secretary is responsible for keeping the Board or a Committee of the Board informed of any material breaches of all corporate governance policies.

### Trading in Citigold's shares

As stated in Citigold's share trading policy, employees, officers and Directors who have access to, or knowledge of, material inside information from or about the company are prohibited from buying, selling or otherwise trading in the company's stock or other securities until the release of this information to the public through the ASX. "Insider" information includes any information concerning the company's financial position, strategy or operations which, if made public, would be likely to have a material effect on the price or value of the securities of the company and the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities.

## **4. Safeguard Integrity in Corporate Reporting**

### 4.1(a) Audit and Finance Committee

The Audit and Finance Committee comprises of the following Non-Executive Directors: J Foley (Chairman), and S Acharya. A Panchariya (Non-Executive Director) was also a member of the Committee and resigned on 5th October 2021. Citigold believes that the current committee is appropriately sized as it has adequate skills, expertise and experience to discharge its responsibilities. The Committee currently only has two Non-Executive Directors and appropriate for the size of the Company and desired makeup, being a majority of Non-Executive Directors and Chaired by an independent Director.

The main responsibilities of the audit and finance committee are to supervise the audit function, review the integrity of the company's financial reporting and ensure compliance with financial reporting and related regulatory requirements.

As part of Citigold's commitment to a transparent system for auditing and reporting of the Company's financial performance, the Company has established the Audit and Finance Committee. The Audit and Finance Committee supervises the audit function, including the appointment of the external auditor, the preparation of financial statements. In fulfilling its responsibilities, the Audit and Finance Committee regularly provide a forum for communication between the Board, management and the external auditors. A formal charter for the Audit and Finance Committee has been adopted since September 2005.

4.2 The Chief Executive Officer and Chief Financial Officer have declared in writing that the financial statements for the year ended 30 June 2021 represent a true and fair view of Citigold's financial position and performance and that the reports conform to relevant accounting standards.

The Company's external auditor attends the Company's annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

4.3 The Chairman and Company Secretary are responsible for reviewing all communications to the market to ensure they are full and accurate and comply with the Company's obligations.

## **5. Make Timely and Balanced Disclosure**

5.1 All Directors, executives and staff of the consolidated entity are made aware of the ASX's continuous disclosure requirements and operate in an environment where the emphasis is placed on full, timely and honest disclosure to the market. A copy of the Company's Continuous Disclosure Policy is available on the Company's website.

The Board Policy is to ensure that information is released in accordance with the consolidated entity's continuous disclosure obligations under the ASX listing rules. Citigold's website contains recent and historical information, including financial reports and presentations.

5.2 The Board are to be provided with all material market announcements promptly after they have been made via electronic distribution or alternate methods if appropriate.

5.3 Any presentation to investors or analysts is to be released on the ASX prior to any such presentation.

## **6. Respect the Rights of Shareholders**

6.1 Information about Citigold and its corporate governance including copies of various corporate governance policies and charters are available to all investors via the Company's website.

Citigold is committed to providing shareholders with timely, detailed and factual company information.

Information is communicated to shareholders through:

- The Annual Report which is accessible by all shareholders
- The Half-Yearly Report which is made available by way of an ASX release
- The Annual General Meeting
- ASX releases in accordance with the consolidated entity's continuous disclosure obligations
- Information available on the Company's website at [www.citigold.com](http://www.citigold.com)

6.2 Shareholders are invited to advise the Company of their email addresses. ASX announcements, once released, are then able to be emailed directly to the shareholder. The Chairman and Company Secretary have primary responsibility for communications with shareholders and investors.

6.3 In addition to active two-way communication with shareholders, all shareholders are encouraged to attend the AGM and use the opportunity to ask questions and provide feedback.

In preparing for the general meetings, Citigold drafts the notice of meeting and related explanatory information so that they provide the information that is relevant to shareholders in making decisions on matters to voted on by them at the meeting.

6.4 All resolutions at a security holders meeting are to be decided by a poll rather than by a show of hands.

6.5 Shareholders are invited to advise the Company of their email addresses. ASX announcements, once released, are then able to be emailed directly to the shareholder



## **7. Recognise and Manage Risk**

### Health, Safety, Environment and Risk Committee

7.1 The Health, Safety, Environment and Risk Committee consists of the following Non-Executive and Executive Directors: J Foley (Chairman), S Acharya and M Lynch. The Committee is within desired makeup, being a majority of Non-Executive Directors and Chaired by an independent Director. A formal charter for the Risk Committee has been adopted since September 2005. The objectives of the Committee are as follows:

- Ensure the Company adopts, maintains and applies appropriate health, safety, environment and risk management policies and procedures.
- Ensure that the Company maintains effective health, safety and environment related internal control and risk management systems.
- Provide a formal forum for communication between the Board and senior management in health, safety, environment and risk management matters, both Company-specific and otherwise.
- Review internal processes for determining and managing key risk areas.
- Evaluate Company's risk management system and highlight Company's major risks.
- Review all suspected and actual fraud, thefts and breaches of laws and ensure appropriate action is enforced.

The Risk Committee will assist the Board of Directors in the effective discharge of its responsibilities for business, market, credit, equity and other investment, financial, operational and liquidity risk management and for the management of the Group's compliance obligations.

7.2(a) The risk management framework that the Board employs includes (a) assessing internal policies and processes for determining and managing key risk areas such as non-compliance with laws regulations standards and best practice guidelines, litigation and claims and other relevant business risk; (b) having a risk management system, policies and internal control; (c) Meeting of key stakeholders to understand and discuss the company's control environment.

7.2(b) The Committee reviews the risk management framework on an annual basis, and a review was conducted during the 2021 financial year and it is satisfied that it continues to be sound.

7.3 Citigold does not have an internal audit function. The Board does not consider that the Company's operations are of a size or complexity to require a dedicated internal audit function and that processes and inherent risks are sufficiently transparent as to be identified by board members.

7.3(b) Management are charged with evaluating and considering improvements to the Company's risk management and already established internal controls processes on an ongoing basis.

7.4 Citigold is exposed to a range of economic, environmental and social sustainability risks faced by all other mining industry companies in an open economy.

Citigold currently operates a Risk Management System that identifies aspects of risks of the operation, particularly those related to safety, health, and environment, financial and social impact. Citigold's operations are subject to regulation, inspection and monitoring by the Queensland State Government's Department of Resources and the Department of Environment and Science.

The CEO and CFO have not given a written statement to the Board in accordance with best practice recommendation 7.2 and 7.3 of the ASX Corporate Governance Council's Principles and Recommendations because the Board considers that its direct management and oversight of risk ensures a sound system of risk management and internal compliance and control that is operating efficiently and effectively in all material respects.

## **8. Remunerate Fairly and Responsibly**

### Nomination & Remuneration Committee

8.1 The Nomination & Remuneration Committee consists of the following Non-Executives and Executive Director: J Foley (Chairman), S Acharya and M Lynch. A Panchariya (Non-Executive Director) was also a member of the Committee and resigned on 5th October 2021. As noted previously, Citigold believes that the current committees are appropriately sized as it has adequate skills, expertise and experience to fulfil its responsibilities. A formal charter for the Remuneration Committee has been adopted since September 2005.

The Nomination & Remuneration Committee's key responsibilities are:

- Assist and advise the Board on remuneration guidelines and practices.
- Review and make recommendations on remuneration packages and other terms of employment for Directors and Senior Executives.
- Review the company's recruitment, retention and termination guidelines and procedure for Senior Management.

8.2 Director & Senior Executive Remuneration are disclosed in the Remuneration Report in the Annual Report.

8.3 Currently there are no equity-based remuneration schemes.

## **9. Recognises the Importance of Environmental and Occupational Health and Safety Issues**

Citigold Corporation Limited recognises the importance of environmental and Occupational Health and Safety (OHS) issues and is committed to the highest levels of performance. To help meet this objective, an Environmental, Health and Safety Risk Management System (EHSRMS) had been established by mine management in compliance with the Qld *Mining & Quarrying Safety & Health Act*. The EHSRMS is a tool that allows the systematic identification of environmental and OHS issues and assists their management in a structured manner.

Through the EHSRMS, the consolidated entity aims to:

- Comply with all relevant legislation
- Continually assess and improve the impact of its operations on the environment
- Encourage employees to actively participate in the management of environmental and OHS issues, and
- Use energy and other resources efficiently. Information on compliance with significant environmental regulations is set out in the Directors' Report.