
Corporate Governance Statement

Approach to Corporate Governance

Golden Rim Resources Limited ACN 006 710 774 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework and in reporting of its governance practices throughout the financial year ending 30 June 2020, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Company notes that it has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations of the Principles for the financial year commencing 1 July 2020.

The following governance-related documents can be found on the Company's website at www.goldenrim.com.au, under the section marked "Corporate Governance":

Charters

Board
Audit Committee
Nomination Committee
Remuneration Committee
Risk Committee

Policies and Procedures

Process for Performance Evaluations
Policy and Procedure for the Selection and (Re)Appointment of Directors
Risk Management Policy
Shareholder Communication and Investor Relations Policy
Securities Trading Policy
Code of Conduct
Anti-Bribery and Corruption Policy
Whistleblower Policy
Diversity Policy
Continuous Disclosure Policy
Continuous Disclosure Compliance Procedures

The Company reports below on whether it has followed each of the recommendations during the financial year ending 30 June 2020 (**Reporting Period**). The information in this statement is current as at 14 October 2020, the date on which the Board adopted this statement.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management; established those roles and responsibilities expressly reserved to the Board and those delegated to management; and has documented those divisions in its *Board Charter*.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks which are undertaken, and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors*.

Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of the employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Managing Director, any of its directors, and any other person or entity who is related party of the Managing Director or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's *Board Charter*. The Company's Secretary's role is also outlined in the employment agreement between the Company Secretary and the Company.

Recommendation 1.5

The Company has a Diversity Policy. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. The Diversity Policy however, does provide that the Board may choose to set such measurable objectives.

Given the Company's current circumstances including its total number of staff, the Board does not consider, at this time, that it is appropriate to set measurable benchmarks nor to have a Policy that requires it to do so.

The current Policy is aimed at encouraging an inclusive culture where diversity is promoted and an appropriate mix of skills and talent is achieved within the Company.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the following table. "Senior executive" for these purposes means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity:

	Proportion of women
Whole organisation	5 out of 13 (38%)
Senior executive positions	1 out of 3 (33%)
Board	1 out of 3 (33%)

Recommendation 1.6

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors.

The Board has adopted a three year cycle process for evaluation of the Board, Board Committees and individual directors.

Given the change in the composition of the Board during the Reporting Period and the restrictions due to the COVID19 pandemic, no evaluation of the Board, Board Committees and individual directors

was conducted during the Reporting Period. It is the intention of the Board to undertake such evaluations during the current reporting period.

Recommendation 1.7

The Managing Director is responsible for evaluating the performance of senior executives (other than himself). This process usually includes a questionnaire followed by an interview. The Board (while performing a function usually undertaken by a Nomination Committee) is responsible for evaluating the Managing Director. This process usually includes a questionnaire followed by an interview conducted by the Chairman.

Given the change in the composition of the Board during the Reporting Period and the restrictions due to the COVID19 pandemic, no evaluation of senior executives was conducted during the Reporting Period. It is the intention of the Managing Director and the Board that such evaluations take place during the current reporting period.

Principle 2 – Structure the board to add value

Recommendation 2.1

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role that would be undertaken by a Nomination Committee.

Although the Board has not established a separate Nomination Committee, it has adopted a Nomination Committee Charter. The Nomination Committee Charter describes the role, composition, functions and responsibilities of the Board in performing the role that would be undertaken by a Nomination Committee. Any items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings, when required.

During the Reporting Period, the Board specifically considered nomination committee matters twice.

Recommendation 2.2

Skill sets represented at Board level include, among other things, managerial, technical, financial, corporate, and commercial. In particular, Board members have a high level of experience and expertise in the resource industry.

The Board has developed a skills matrix and identified a range of skills, other than the more general business and corporate related skills, in the following key areas:

- resource industry knowledge;
- exploration (technical);
- strategic planning;
- mergers and acquisitions;
- accounting / auditing;
- governance;
- international markets; and
- corporate finance.

The Board considers that its current mix of skills is appropriate for its circumstances. As the Company's circumstances change, it will continue to re-consider its composition and effectiveness, as appropriate.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations.

For the period commencing at the start of the Reporting Period until 1 April 2020, the independent directors of the Company were Mr Glenister Lamont and Ms Kathryn Davies. Following Mr Lamont's retirement effective 1 April 2020, Ms Davies was the sole independent director.

The length of service of each current director is as follows:

Director	Appointment	Length of service
Adonis Pouroulis	16 January 2020	7 months
Craig Mackay	8 October 2004	16 years
Kathryn Davies	1 January 2017	3 years, 9 months
Glenister Lamont	17 July 2007	Retired effective 1 April 2020

Recommendation 2.4

Following the retirement of Mr Glenister Lamont effective from 1 April 2020, the Board no longer had a majority of directors who are independent. Given the size of the Company and the nature of its operations, the Board believes that its current composition is appropriate for the Company's present stage of development.

Recommendation 2.5

Upon Mr Adonis Pouroulis' appointment as Non-Executive Chairman on 16 January 2020, the Board no longer had an independent Chairman. However, the Company follows the recommendation in so far as its Chairman is not the same person as the Chief Executive Officer and/or Managing Director. It is noted that Mr Pouroulis is not considered an independent director by virtue of his substantial shareholding.

Mr Pouroulis has extensive experience and expertise in the discovery, exploration and development of natural resources. He has a proven track record in founding various mineral resource companies and has a wide network of industry relationships across the African continent.

Given Mr Pouroulis' experience and expertise, and the size and current composition of the Board, the Board believes his appointment as Chairman is appropriate at this time.

Recommendation 2.6

The Company has an induction program that it uses when new directors join the Board and when senior executives are appointed. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's *Induction Program* is disclosed on the Company's website.

Using its skills matrix, the Board regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps.

Principle 3 – Act ethically and responsibly

Recommendation 3.1

The Company has established a Code of Conduct for its directors, senior executives and employees, which is disclosed on the Company's website.

The Company has also adopted a Whistleblower Policy to encourage the reporting of violations (or suspected violations) of the Company's Code of Conduct and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

Up until 1 April 2020, the Board had established an Audit Committee.

Details of the Audit Committee

The members of the Audit Committee were Ms Kathryn Davies (Chairman) and Mr Glenister Lamont. The Audit Committee was not structured in compliance with Recommendation 4.1 as it consisted of only two members. Given the size of the Board, the formation of an Audit Committee that follows Recommendation 4.1 is not possible. However, the Board followed Recommendation 4.1 to the extent it was able with the Audit Committee being comprised of only independent non-executive directors and the Chairman of the Audit Committee not being the Chairman of the Board.

All members of the Audit Committee considered themselves to be financially literate and have industry knowledge.

Ms Kathryn Davies has a Bachelor of Business with a double major in Accounting and Business Law, is a Certified Practising Accountant and a Graduate of the Australian Institute of Company Directors. Ms Davies is an experienced executive across mining, oil and gas, healthcare and technology groups. She has significant experience in negotiating and delivering on multi jurisdiction transactions, international stakeholder management and capital markets. She also has extensive commercial and corporate governance experience and has worked with both developed and developing economies.

Mr Glenister Lamont has an Honours degree in Mining Engineering and a Masters of Business Administration from IMD, Switzerland. Mr Lamont is a Fellow of the Financial Services Institute of Australasia, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mining and Metallurgy. He has worked as an engineer and manager in gold, base metal and coal mines. Previously as General Manager for Ashton Mining Ltd, he led strategic planning and commercial implementation of business development. Before that, as an Executive Director at UBS, he undertook financial, technical and strategic evaluation of companies and participated in many corporate transactions. Mr Lamont is a professional non executive director and consultant on investor relations.

Details of director attendance at Audit Committee meetings during the Reporting Period are set out at the end of this document under “Additional Information”.

The Board has adopted an Audit Committee Charter which describes the Audit Committee’s role, composition, functions and responsibilities.

Details of the Audit Committee Function Following Dissolution of Audit Committee

Following the retirement of Mr Lamont effective 1 April 2020, the Board dissolved the Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Further, given the current composition of the Board, the formation of an Audit Committee that follows Recommendation 4.1 is not possible. Accordingly, the Board performs the role that would be undertaken by an Audit Committee.

In discussing audit matters, the Board refers to the Audit Committee Charter which describes the role, composition, functions and responsibilities of the Board while performing the role that would be undertaken by an Audit Committee. Any items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings, when required.

During the period commencing 1 April 2020 until the end of the Reporting period, the Board specifically considered audit committee matters on one occasion.

Recommendation 4.2

The Board received from the Managing Director and the Company Accountant, a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the financial period ended 31 December 2019 comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and must arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and who is in a position to answer questions about the audit. Each year, the Company notifies the Company's auditor of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

A representative of the Company's auditor attended the Company's annual general meeting held on 29 October 2019.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules.

Principle 6 – Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.goldenrim.com.au as set out in its *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.3

The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The contact details of the Company and its share

registry are available on its website at www.goldenrim.com.au. Further, shareholders may register to receive Company information on its website.

Principle 7 – Recognise and manage risk

Recommendation 7.1

The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role that would be undertaken by a Risk Committee.

Although the Board has not established a separate Risk Committee, it has adopted a Risk Committee Charter. The Risk Committee Charter describes the role, composition, functions and responsibilities of the Board in performing the role that would be undertaken by a Risk Committee. Any items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings, when required.

During the Reporting Period, the Board specifically considered risk committee matters twice during the Reporting Period although it notes that it also undertakes discussions regarding risk matters, on an ongoing basis.

Recommendation 7.2

The Board reviews the Company's risk management framework at least bi-annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's *Risk Management Policy*.

Recommendation 7.4

As the Company is not in production nor has any major operations, in its present circumstances, the Company has not identified any material exposure to economic sustainability, environmental sustainability or social sustainability risks associated with its projects.

Utilising its Risk Management Framework, the Company has identified the following risk categories:

- Workplace, health and safety
- Human capital
- Financial
- Economic
- Legal and compliance
- Sovereign
- Political
- Strategic
- Operational
- Social
- Environmental.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1

Up until 1 April 2020, the Board had established a Remuneration Committee.

Details of the Remuneration Committee

The members of the Remuneration Committee were Mr Glenister Lamont (Chairman) and Ms Kathryn Davies. Given the size of the Board, the formation of a Remuneration Committee that follows Recommendation 8.1 is not possible. However, the Board followed Recommendation 8.1 to the extent it was able with the Remuneration Committee being comprised of only independent non-executive directors.

Details of director attendance at Remuneration Committee meetings during the Reporting Period are set out at the end of this document under “Additional Information”.

The Board has adopted an Audit Committee Charter which describes the Audit Committee’s role, composition, functions and responsibilities.

Details of the Remuneration Committee Function Following Dissolution of Remuneration Committee

Following the retirement of Mr Glenister Lamont effective 1 April 2020, the Board dissolved the Remuneration Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Further, given the current composition of the Board, the formation of an Audit Committee that follows Recommendation 8.1 is not possible. Accordingly, the Board performs the role that would be undertaken by a Remuneration Committee.

In discussing remuneration matters, the Board refers to the Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Board while performing the role that would be undertaken by a Remuneration Committee. Any items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings, when required.

During the period commencing 1 April 2020 until the end of the Reporting period, the Board did not specifically consider remuneration committee matters.

Recommendation 8.2

Details of remuneration, including the Company’s policy on remuneration, are contained in the “Remuneration Report” which forms of part of the Directors’ Report in the 2020 Annual Report.

Recommendation 8.3

The Company’s Remuneration Policy includes a statement on prohibiting directors and senior executives from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the in any equity-based remuneration schemes of the Company.

Additional Information

Principles 2, 4 and 8 – Committee Meetings

The following table sets out the number of meetings held during Reporting Period by directors and Board committees, and the attendances.

	Audit Committee Meetings ¹	Remuneration Committee Meetings ¹
	Number held / Number attended	
Adonis Pouroulis	1/1 ^{2,3}	NA
Craig Mackay	2/2 ³	1/1 ³
Kathryn Davies	2/2	1/1
Glenister Lamont	2/2	1/1

Notes:

1. Following the retirement of Mr Lamont effective 1 April 2020, the Audit Committee and Remuneration Committee were dissolved and for the remainder of the reporting period, the function of those committees was performed by the Board.
2. Mr Pouroulis was appointed to the Board on 16 January 2020.
3. Attendance by invitation.