

## **THOR MINING PLC**

### **Corporate Governance Statement**

This Corporate Governance Statement has been approved by the Board of Directors, and the effective date is 12 October 2021. The Board is committed to maintaining high standards of corporate governance.

The Board have chosen to apply the ASX Corporate Governance Principles and Recommendations (ASX Corporate Governance Council, 4th Edition) as the Company's chosen corporate governance code for the purposes of AIM Rule 26. Consistent with ASX listing rule 4.10.3 and AIM rule 26, this document details the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. A separate disclosure is made where the Company has not followed a specific recommendation, together with the reasons and any alternative governance practice, as applicable. This information is reviewed annually.

### **Board of Directors & Shareholders**

The Board currently comprises of three Non-Executive Directors, one of whom is Chairman, and a Managing Director. The Directors are of the opinion that the Board comprises a suitable balance. The Board, through the Chairman and the Chief Financial Officer in particular, maintains regular contact with its advisers, larger Shareholders and other market participants to ensure that it develops an understanding of the views of major shareholders. Shareholder queries are able to be lodged through the Company's website and all queries are actively encouraged at the Company's Annual General Meeting, although there were barriers to shareholder attendance due to covid-19 restrictions in Australia and the UK during the 2021 year. When appropriate, the Chairman of the Board presents a Company update at the General Meetings, encouraging questions during the presentation. All resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

### **Director Appointments**

Background checks are undertaken for any individual that is proposed for an appointment to the position of Director, Company Secretary and also senior executives. These background checks are also a requirement to ensure that the Board remains appropriate for that of an AIM quoted company. Any relevant information relating to candidates standing for election or re-election is provided to shareholders, including relevant skills and qualifications, details of other material directorships held, whether the candidate is expected to be independent, whether the candidates nomination is supported by the Board, and in the case of candidates standing for election for the first time, any adverse material from the background checks and any potential conflicts of interest, and in the case of candidates standing for re-election, their term of office currently served.

The Company has a written agreement with each director and senior executive setting out the terms of their appointment.

Upon the appointment of a new Director, the Board agrees an induction process with the new Director that is appropriate to their individual needs. The skills and training needs of the Board as a

whole and for each individual Director, are considered as part of the Company's annual Board performance review.

### **Annual Review of Board Performance**

The Board undertakes an annual review of its own performance and that of individual Directors. This includes an assessment of the relevance of the mix of skills of the Board against the current and future activities of the Company. Any identified gaps in the skills or knowledge of the Board, or individual Directors, form the basis for training and development provided to the Directors. A review of Board performance was last undertaken on 27 March 2020. A formal Board performance review has not been undertaken in the year ended 30 June 2021 as all Board members except one have been newly appointed since that last Board review date. The next review will be undertaken in the year ended 30 June 2022.

Whilst the Company does not have a formal nomination committee, it does formally consider Board succession issues and whether the board has the appropriate balance of skills, knowledge, experience, independence and diversity. This evaluation is undertaken collectively by the Board, as part of the annual review of its own performance.

### **Directors' Independence and the Chair**

The Board considers that 25% of the existing Board are Independent Directors within the meaning of ASX Corporate Governance Recommendation 2.3. Directors are classified as Independent where they are not involved in the day to day management and decision making of the Company, and not associated with a substantial shareholder. Directors are often engaged to provide specific services relevant to their skills and knowledge. Where these additional services do not involve day to day management and decision making, there is no impact to their classification as 'Independent'. At present, the Board considers Mr McGeough to be an Independent Director.

Whilst the remaining directors, Ms Galloway Warland (Managing Director), and Messrs Potter and Clayton are not independent, the Board believes that all the individuals on the Board make quality and independent judgements in the best interests of the Company on all issues. Any director having a conflict of interest in relation to a particular item of business must absent himself from the Board meeting before commencement of discussion on the topic.

ASX Corporate Governance Council recommendation 2.4, suggests that a majority of the Board should be independent Directors. The Company does not comply with recommendation 2.4. The Board believe that the current Board is sufficient to ensure due process and impartial, unbiased decision making. The Board are of the opinion that the fact that two of the three non-executive directors is not considered independent, per the ASX Governance Principles, does not detract from the impartiality of the Board, as their non-independent status is solely due to being associated with a substantial shareholder, and they would be excluded from any items of business considered to pose a potential conflict in relation to their association with that substantial shareholder.

The Company does not comply with ASX Corporate Governance Council recommendation 2.5, which suggests that the Chairman of the Board should be an Independent Director and should not also occupy the role of Managing Director. The non-independent status of Mr Potter is only by reason of his role as Non-Executive Chairman of a substantial shareholder, Artemis Resources Limited.

However, Mr Potter is excluded from any items of business considered to pose a potential conflict in relation to his role with that substantial shareholder. Additionally, the prior Chairman until 3 September 2021 was Mr Billing, who also fulfilled the role of Managing Director of the Company. This was addressed on 21 April 2021 through the appointment of Ms Galloway Warland as Managing Director. Additionally, the Board enhances its culture of openness and constructive challenge through a board composition with a majority representation of non-executive directors.

Given the Company's dual listing on the ASX and AIM, it has joint company secretaries, one based in Australia and one based in the UK. The Company Secretarial role is important in supporting the effectiveness of the Board. As such, both Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the board. Each Director is able to communicate directly with either Company Secretary.

The length of service of each Director is as follows:

Mr Potter	2 years
Ms Galloway Warland	less than 1 year
Mr McGeough	1 year
Mr Clayton	less than 1 year

Subject to shareholder approval, Directors are from time to time offered unlisted options as part of their Directors remuneration package. The options are usually at a minimum 30% premium to the prevailing share price at the date the terms of the proposed options are set by the Board and generally have a 3 to 4 year term. The Board believe this is important in creating alignment with shareholder interests and in attracting, retaining and motivating Directors. The Board believe the quantum of the options does not impact the independence of individual Directors.

### **Directors' Skills Matrix**

Thor is a mineral exploration and development company, with a focus on Gold, Copper, Tungsten, Uranium, and other metals. The Board seeks to increase shareholder value through systematically exploring and developing its resource portfolio. The Company's Directors are experienced in the mineral and finance sectors. Of the four Directors in office as at the date of this Corporate Governance Statement, the following table indicates the number of Directors having executive or senior management experience in each of the skills of most relevance to the Company's operations.

	Number of Directors
Executive leadership	4
Mining exploration & evaluation	4
Mining operations	4
Delivery of capital projects	2
Acquisition & divestments	4
Governance within a listed entity environment	3
Strategy/Risk management	4
Financial acumen	4
Health, safety and environment in the mining industry	2

Please refer to the most recent Annual Report available at the Company's website for an overview of the relevant skills and experience of each Director and their length of service as a Director.

### **Role & Responsibilities of the Board**

The matters that the Board has specifically reserved for its decision are:

- appointments to the position of Managing Director and approval of the appointment of executives reporting directly to the Managing Director;
- approval of strategy and budgets of the Group;
- review and assess operational and financial performance, and the performance of the Managing Director;
- approval of all significant capital and non-capital expenditure;
- approval of any proposed financing arrangements;
- review & approval of documents (including the publication of reports and statements to shareholders) that are required by the Group's constitutional documents, by statute or by other external regulation.

### **Board Meetings**

The Board meets regularly throughout the year. A minimum of ten full meetings are held per annum. This is supplemented with regular special purpose meetings to discuss specific topics as the need arises.

Both Company Secretaries are accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to the advice of the Company's solicitors, and when required, to independent professional advice, at the Company's expense.

### **Board Committees**

Whilst a separate Audit Committee has not been formed, the Company undertakes alternative procedures to verify and safeguard the integrity of the Company's corporate reporting, that are appropriate in the context of the current size and nature of the Company's operations:

- the full Board, in conjunction with the company secretary based in Australia, fulfils the functions of an Audit Committee and is responsible for ensuring that the financial performance of the Group is properly monitored and reported.
- in this regard, the Board is guided by a formal Audit Committee Charter which is available on the Company's website at <https://www.thormining.com/about-us/corporate-governance>. The Charter includes consideration of the appointment and removal of external auditors, and partner rotation.
- Prior to approving the Company's financial statements for a financial period, the Board receives a formal declaration from the Managing Director and Chief Financial Officer that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair

view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

- The external auditor attends the Company's Annual General Meeting, and is available to answer questions from security holders relevant to the audit.
- The Board reviews all unaudited financial information before it is released publicly, in particular the quarterly cash flow reporting to the ASX.

Whilst a separate Remuneration Committee has not been formed, the Company undertakes alternative procedures to ensure a transparent process for setting remuneration for Directors and Senior staff, that is appropriate in the context of the current size and nature of the Company's operations. The full Board fulfils the functions of a Remuneration Committee, and considers and agrees remuneration and conditions for:

- All Director Remuneration is set against the market rate for Independent Directors for ASX listed companies of a similar size and nature. This information is readily available. Currently, each Director appointment provides for annual fees of Australian dollars \$50,000 for services as Directors, including a 10% company contribution to Australian statutory superannuation schemes for relevant Australian based Directors.
- The financial package for the Chairman and other Executive Directors is established by reference to packages prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Board will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company. At present, services supplied by the Directors to the Company and any of its subsidiaries in excess of 2 days in any calendar month, may be invoiced to the Company at market rate, currently at A\$1,000 per day for each Director.

## **Code of Conduct for Directors, Senior Executives and Employees**

### **Value Statement**

The Company is committed to integrity and fair dealing in its business affairs and to a duty of care to all employees, customers, contractors, suppliers and stakeholders.

These values are further detailed in the Company's Code of Conduct for Directors, senior executives and employees to promote ethical and responsible decision making and execution of their roles and responsibilities.

The Code of Conduct can be found on the Company's website.

### **Management**

The performance of senior employees is reviewed on an annual basis, including engagement and interaction at Board level. The annual performance review process that is employed considers how effective the employees have been in undertaking their role; and what they have achieved against their specified key performance indicators. This review process was undertaken for all senior employees during the year ended 30 June 2021.

## **Whistle-blower Policy**

An important aspect of accountability and transparency is a mechanism to enable staff and other members of the Company to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs. Nevertheless, where an individual discovers information which they believe shows serious malpractice or wrongdoing within the organisation then this information should be disclosed internally without fear of reprisal, and there should be arrangements to enable this to be done independently of line management.

All material incidents are reported to the Board.

The Company did not have a policy formalised for the full financial year.

The Whistle-blower Policy can be found on the Company's website.

## **Bribery and Corruption Policy**

The Company is committed to conducting its business fairly, honestly and transparently, in accordance with all applicable laws and regulations in the jurisdictions in which it operates and to the highest ethical standards.

The Company will apply a "zero tolerance" approach to acts of bribery and corruption by any of its employees, contractors, or consultants. Responsibility for adherence to this policy rests with all employees of the Company, with executive management responsible for ensuring dissemination of the policy to their respective managers, supervisors, employees, contractors and consultants, with a focus on new employee's, contractor and consultants to the Company.

All material incidents are reported to the Board.

The Company did not have a policy formalised for the full financial year.

The Bribery and Corruption Policy can be found on the Company's website.

## **Market Disclosure**

The Company is subject to parallel obligations under the AIM Rules and EU-wide Market Abuse Regulation ("MAR"), in addition to the ASX Listing Rules, in relation to the disclosure and control of inside information. The Company is committed to maintaining the highest standards of disclosure ensuring that all investors and potential investors have the same access to high-quality, relevant information in an accessible and timely manner to assist them in making informed decisions. The Company has a number of policies in place to ensure these laws and rules are adhered to. The Board's duty is to review and approve all material communications made to the market and shareholders. The Managing Director takes initial responsibility for continuous disclosure. The Company Secretary handles ASX communications and our NOMAD also reviews our AIM announcements. All Company employees are briefed on what constitutes material information and the processes to be followed if they become aware of such information.

### *Materiality*

An important term to understand in respect of this principle and associated guidelines is what “material” information means. In this context the terms “material” and “price sensitive” are interchangeable. A generally accepted definition is that information is material if a reasonable person would expect that information to have an effect (negative or positive) on the price of a Company’s shares.

Certain types of information that may be considered material by some investors are not required to be disclosed because they are classified as either confidential or a trade secret, or the information is not complete and may lead to a “false market”. An example of the latter would be a rumour or speculation that company X is in negotiations with the Company, which may lead to a share price rise. The Company has a policy not to respond to such rumours.

In the course of their duties as Board members, employees or consultants to the Company, certain people may become aware of material information prior to its public release and thus become an insider. Under the Company’s Share Dealing Code, the purchase and sale of Company shares by Directors and employees not permitted in mandatory ‘closed periods’ which includes prior to the release of the half-yearly and annual financial results to the market, the release of the quarterly cash flow reporting and the AGM, when adequate time has elapsed for any new information to be reflected in the security’s price. The policy also restricts Directors, employees and consultants from acting on other material information until it has been released to the market.

The Share Dealing Code can be found on our website at:

<https://www.thormining.com/sites/thormining/media/pdf/20180214-share-dealing-code---updated.pdf>

### *Continuous Disclosure*

Continuous disclosure aims to ensure that all information considered material or price sensitive is given to all shareholders at the same time in order to prevent any individual gaining an advantage in trading a Company’s shares. A person who has price sensitive information about a company prior to its general public release is considered an “insider”. Insider trading is illegal.

A specific example of the Company’s continuous disclosure requirements relates to new presentations to shareholders, investors or analysts. All materials presented are either specifically released to the ASX and AIM or are already public information. In the highly unlikely event that price sensitive or material information is inadvertently disclosed, the same information is immediately released to the ASX and AIM. All recent Company announcements, media releases, details of Company meetings, and financial reports are available on the Company’s website.

Thor has an established process to ensure all material ASX and AIM releases, and all unaudited financial information, are reviewed and approved by the Board.

All ASX announcements are made available to the Board immediately following release.

Copies of announcements, investor briefings, half-yearly financial statements, the Annual Report and other relevant information can be found on our website at <https://www.thormining.com/investors>.

The Company did not have a separate policy for the full financial year, but did articulate its core policies in this regard, as part of its annual Corporate Governance Statement.

The Continuous Disclosure Policy can be found on our website at:

<https://www.thormining.com/about-us/corporate-governance>

#### *Social Media Policy*

The Company's Social Media Policy is intended to help staff make appropriate decisions about the use of social media – which encompasses the main networking sites such as Facebook, Twitter and LinkedIn, but also includes blogs, wikis, podcasts, forums and message boards.

The policy outlines the standards Thor requires of all staff when using social media on behalf of the Company, the circumstances in which the Company will monitor their use of Thor's social media profiles and the action we will take in respect of breaches of the policy.

#### **Gender Diversity**

The Board acknowledges the desirability of achieving gender diversity across the Company, including within its permanent employees and also those individuals contracted to the Company on long term, part time basis.

The Board's policy is to provide women equal opportunity whenever a position is created.

The Board monitors the Company's gender diversity on an annual basis, or where there is a significant change in the Company's nature or scale of operations. As at the date of the Corporate Governance Statement, the following table discloses the proportion of women employees and contractors employed by the Company:

	Number of Women Employees	Total Employees	Proportion of Women Employees
Directors	1	2	33%
Other Senior Executives	-	1	0%
Other Permanent Employees	2	2	100%
Contractors	-	1	0%
Total	3	6	50%

In view of the limited size of the company's workforce, the company has not, at this time, developed a more formal policy on diversity, nor set measurable objectives for achieving gender diversity.

#### **Internal controls**

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Board is aware that no system can provide absolute assurance against material misstatement or loss, however, in light of increased activity and further development of the



Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Given the Company's current size and nature of operations, it is not cost effective to maintain an Internal Audit function.

### **Risk Management**

Whilst a separate Risk Management Committee has not been formed, the Company undertakes alternative procedures to assess and manage risk. The Board considers risk assessment to be important in achieving its strategic objectives. Management of key risks are considered within the regular Board meetings. Risks are specifically considered by the Board within the context of setting forecasts and targets, and in monitoring performance against those forecasts and targets.

A more formal review of key risks and management actions is conducted by the Board at least once a year, or at any point of significant change in the nature or size of the Company's operations. A summary of the key risks is provided in the Directors Report within the Company's Annual Report.

### **Insurance**

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company. The group insures other assets held having given regard to risks and events that may occur.

### **Treasury Policy**

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board.

### **Securities Trading**

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee, contractor and other service providers who are in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance. The Board considers that the Share Dealing Code is in compliance with the MAR, AIM and ASX requirements, and continues to meet the requirements of the Board.