

# **CORPORATE GOVERNANCE STATEMENT**

## **LARAMIDE RESOURCES LTD.**

### **Corporate Governance**

Laramide has adopted a comprehensive system of control and accountability as the basis for the administration of corporate governance. The overall goals of the Company's corporate governance framework is to drive shareholder value, assure a prudential and ethical base to the Company's conduct and activities and ensure compliance with the Company's legal and regulatory operations.

The Board considers that the Company's corporate governance processes are suitable to achieve its aims at this point in time. As Laramide's activities develop in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration. Subject to the exceptions below, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for the Company's 2020 financial year.

This Corporate Governance Statement has been approved by the Board of Directors and is current as at 18<sup>th</sup> May 2021.

Further information on corporate governance policies and practices is available in the "Corporate Governance" section on the Company's website: [www.laramide.com](http://www.laramide.com)

### **Principle 1 – Lay solid foundations for management and oversight**

The Company has adopted a Board Charter which deals with the roles and responsibilities of the Board, senior management, chair, CEO, directors and officers.

Management is responsible for executing strategy and for day-to-day operations. The Board is responsible for corporate governance and for determining the strategic direction of the Company. This includes assessing and approving strategic plans and prospective decisions proposed by management and (with the assistance of the Audit Committee), assessing the integrity of the Company's internal control and management information systems.

The Board functions independently of management and supervises the management of the business and affairs of the Company. It is mandated to act with a view to the best interests of the Company.

The Policy and Procedure for Selection and (Re)appointment of Directors sets out the factors to be considered and the method to be applied in decisions involving Board composition, which is to be considered and implemented by the Nominating and Governance Committee in accordance with the Company's Nominating and Governance Committee Charter. The Company performs checks on all new appointments to the Board or senior executives which include checks on a person's character, experience, education, criminal record and bankruptcy history. New directors are required to provide consent for the conduct of background checks and also confirm their availability to spend time on Company related matters. The Notice of Meeting for the AGM at which directors are either elected or re-elected provides shareholders

with information about the director including details of relevant skills, experience and any other relevant information available to the Board at that time.

The company has a written agreement with all non-executive directors which sets out the terms and conditions associated with their office. The Company has entered into a Service Agreement with its CEO, the key aspects of which were disclosed to shareholders in the Annual Information Circular.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters associated with the proper functioning of the Board.

**Diversity** - Laramide has opted not to adopt a diversity policy due to its size of operations, limited number of staff, and specific technical skill requirements in various positions which would make it difficult or onerous to comply with the terms of such a policy. The Board will continually reassess this stance as Laramide's activities develop in size, nature and scope. Due to the size of Laramide's current business activities and the small workforce currently employed, the Company has not implemented measurable objectives for achieving gender diversity at this stage. However, the Company recognises the value of a talented and diverse workforce and the Board, together with the Nominating and Governance Committee, will take this into account when selecting new Board members. More broadly, high quality female candidates will be considered as part of any recruitment process.

At 31 December 2020, women made up 46.9% of the total workforce. There are currently no women in senior management or on the Board of Laramide.

The Company's Process for Performance Evaluation sets out the framework for review in relation to Senior Executives, the Board, Board Committees and Individual Directors. In addition, the chair of the Compensation Committee provides informal performance feedback to the directors through regular discussion on an ongoing basis.

The Company has established a Compensation Committee which is responsible for reviewing the performance and determining the compensation of the Chairman and Chief Executive Officer, based on criteria including the Company's performance and accomplishment of long-term strategic objectives.

Based upon the Company's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, its committee or individual directors to be unnecessary at this time. In light of the fact that the Board and its Audit Committee meet at regular intervals during the year, and in light of the fact that the majority of directors have served together for more than five years, each director has significant opportunity to assess other directors. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The chief executive officer is responsible for evaluating the performance of senior executives. The chief executive officer evaluates the performance of senior executives by monitoring output and conduct of formal and informal meetings. During the relevant period the performance of senior executives has been undertaken in accordance with the process outlined. The compensation committee is responsible for evaluating the performance of the chief executive officer.

The Company's Board Charter; Process for Performance Evaluation; Company's Compensation Committee Charter; and Policy and Procedure for Selection and Re(appointment) of Directors are available on the corporate governance section of the Company's website.

## **Principle 2 - Structure of the board to be effective and add value**

The Company has established a Nominating and Governance Committee. Its members are Messrs. Patterson (chair), Babikian and Booth. The role of the Nominating and Governance committee is to identify individuals qualified to become Board members and to recommend to the Board proposed nominees for Board membership. The Nominating and Governance Committee also recommends to the Board which directors should serve on each standing Committee and to oversee the corporate governance policies and practices of the Company. The Charter of the Nominating and Governance Committee and the Policy and Procedure for (Re)Appointment of Directors are available on the corporate governance section of the Company's website. Details of the number of meetings held and the attendance at Board meetings and Board committee meetings are shown in the Management Information Circular.

### **Board Skills**

The board currently consists of persons from a variety of professional backgrounds. The Board considers that a diverse range of skills and experience is required to effectively govern the Company. The skills, experience and expertise relevant to the position of each director who is in office at the date of this report and their term of office are detailed in the Management Information Circular which forms part of the notice of meeting. The Company has identified skills and attributes important to the Company at its current stage and in consideration of its future needs. These skills are as follows:

- Leadership
- Business Strategy
- Corporate Governance
- Technical and geological knowledge
- Exploration sector experience
- Commercial
- Legal

Board composition will be reviewed periodically either when a vacancy arises or if it is considered that the board would benefit from the services of a new director, given the existing mix of skills and experience of the board which should match the strategic demands of the Group.

At the date of this Report, the Board is composed of four directors, the majority of which are independent. Three directors, Raffi Babikian, John Booth and Scott Patterson, are considered by the Board to be independent in accordance with regulatory requirements in Canada. National Instrument 52-110 *Audit Committees* ("NI 52-110"), which instrument provides that a director is "independent" if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Marc Henderson (President & CEO) is a member of senior management and accordingly is not considered to be independent. Each of the remaining directors is considered by the Board to be "independent" within the meaning of NI 52-110.

The length of service of each director is disclosed in the Management Information Circular.

In assessing director independence and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The Company's Policy on Assessing the Independence of Directors sets out the applicable considerations in determining whether a director is 'independent'. When determining the independent status of a director the Board considers a number of factors including the level of the director's

shareholding of the Company or whether the director is, or has been employed in an executive capacity by the Company or whether the director has, or has had, any material relationships with the company in terms of consulting, supply of good or services or any other material contractual relationship with the Company or another group member other than as a director. Directors receive performance based remuneration in the form of options under the Company Stock Option Plan however the amount is not considered to be of a sufficiently material level to interfere with the director's independent judgement on issues. The directors do not consider that the length of service has impacted upon the director's independence.

The chair of the Board is John Booth, an independent director.

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. This is usually done on a periodic basis as developments arise. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the Chair prior to incurring any expense on behalf of the company.

The following items are available on the corporate governance section of the Company's website:

- Company's Nomination and Governance Committee Charter,
- Policy and Procedure for (Re)Appointment of Directors
- Policy on Assessing the Independence of Directors

### **Principle 3 - Instil a culture of acting lawfully, ethically and responsibly.**

Statement of Values.

The Company's vision is to create value for our shareholders through the exploration and development of mineral opportunities.

This vision is underpinned by a set of specific values. These values are:

- Respect for stakeholders including shareholders, employees, communities, Indigenous peoples, landholders, suppliers and others
- Focus on objectives and outcomes
- Efficiency and cost-effective operations
- Safety in all activities
- Maintaining high environmental standards

The Board has implemented a Code of Business Conduct and Ethics which requires the highest business and personal ethical standards as well as to comply with all applicable laws and regulations.

The Code provides a framework for decisions and actions in relation to ethical conduct by Directors, officers, employees, advisers and consultants of the Company and sets out the principles covering appropriate conduct in a variety of contexts including conflicts of interest, use of inside information, protection and use of Company assets, accounting practices and fair

dealing. The Code also incorporates the Company's anti-bribery and corruption policy. In addition, the Code outlines the minimum standard of behaviour expected from the Company, the Board, officers and employees, including that each is to comply with all applicable laws, rules and regulations including insider-trading laws. The Board is to be informed of any material breaches of the code.

The Board considers that the Code of Business Conduct and Ethics establishes the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholder and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Board has implemented a Whistleblower Policy which governs the process through which employees and others, either directly or anonymously, can notify the Company's Compliance Officer or Audit Committee of the Company's Board of Directors of potential violations or concerns. In addition, this policy establishes a mechanism for responding to, and keeping records of, complaints from employees and others regarding such potential violations or concerns. The Board is to be informed of any material incidents under the Policy.

The Company's Code of Business Conduct and Ethics and Whistleblower Policy is available on the corporate governance section of the Company's website.

#### **Principle 4 - Safeguard the integrity of corporate reports**

The Board has established an Audit Committee. The role of the Audit Committee is to monitor and review the financial reporting process, the system of internal control and management of financial risks, the audit process and the Company's process of monitoring compliance with laws and regulations and its own code of business conduct. The Audit Committee is responsible for reviewing the Company's financial strategies, its financing plans and its use of equity and debt markets. In doing so, it has the power to conduct or authorise investigations into any matters within the scope of its responsibilities, and the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisers.

At the date of this Report, the Audit Committee

- consists of three members, being Scott Patterson, Raffi Babikian and John Booth;
- consists only of non-executive directors;
- consists only of independent directors; and
- is chaired by Scott Patterson, an independent director who is not chair of the board.
- The relevant qualifications and experience of the members of the Audit Committee are shown in the Management Information Circular.

The board has established a formal Audit Committee Charter setting out the Audit Committee's purpose and objectives, structure and procedures for inviting non-committee members to attend meetings.

Details of the number of Audit Committee meetings held and the attendance those committee meetings are shown in the Management Information Circular attached to the notice of meeting.

The Board annually receives assurance in writing from the chief executive officer and chief financial officer that the company financial statements for the year ended and the interim financial statements that have been issued during the year ended fairly present in all material respects the financial condition, financial performance of the company and are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Interim periodic financial statements and reports that are not audited or reviewed by the auditors are reviewed for accuracy by the Chief Financial Officer,

The Company also has in place a written audit committee whistleblower policy which requires the Company's directors, officers and employees to comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders.

The Audit Committee Charter is available on the corporate governance section of the Company's website.

#### **Principle 5 - Make timely and balanced disclosure**

The Company has established Disclosure Guidelines containing written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for such compliance. The focus of the procedures set out in the Disclosure Guidelines is on timely, factual and accurate disclosure and disclosure in accordance with all applicable legal and regulatory requirements, and on preventing the emergence of a false market.

The board receives copies of all material market announcements promptly after they have been made and a copy of any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation.

The Company's Disclosure Guidelines are available on the corporate governance section of the Company's website.

#### **Principle 6 - Respect the rights of security holders**

The Company uses its website [www.laramide.com](http://www.laramide.com) as a primary communication tool to provide information to investors. The website includes copies of market announcements, financial statements and notices of meetings among other information regarding the company's operations and corporate governance information.

The Company has an investor relations program and adopted a Shareholder Communication Policy, which outlines the methods and purposes of a company's communication with its shareholders. The Company posts public announcements, shareholder presentations, investor related information including notices of shareholder meetings on the Company's website. Shareholders are encouraged to attend meetings or, if unable to attend, to vote on the resolutions proposed by appointing a proxy. The Board considers that the Shareholders Communication Policy promotes effective communication with shareholders and encourages shareholder participation at general meetings.

At a meeting of security holders all substantive resolutions are decided by a poll rather than by a show of hands.

Shareholders can register on the Laramide website to receive press releases directly from the company. Shareholders are also encouraged to register with the Company's share registry in order to receive shareholder related information electronically.

The Company's Shareholder Communication Policy is available on the corporate governance section of the Company's website.

## **Principle 7 - Recognise and manage risk**

The Board does not have a committee to oversee risk however has adopted a Risk Management Policy, which sets out the Company's risk profile and its risk management system and processes.

Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control and that the entity is operating with due regard to the risk appetite set by the board.

The Board delegates day-to-day management of risk to the chief executive officer, who is responsible for identifying, assessing, monitoring and managing risks. The chief executive officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the chief executive officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

The Company's Risk Management Policy provides for an internal control system to manage the Company's material business risks, including internal reporting mechanisms.

In order to ensure that the principal business risks borne by the Company are appropriate, the Board receives and comments on periodic reports from management on operations, and discussions often include questions concerning the risks and risk management of certain proposed strategies. Management has reported to the Board as to its assessment of the effectiveness of the Company's management of its material business risks.

The Company does not believe it is of a size that warrants an internal audit function. However, the Board and Management maintain the required level of assurance through a sound system of internal controls which is monitored by the Audit Committee and the internal processes governed by the Risk Management Policy.

The main risks which the Company is exposed to are those inherent in the industry in which it operates. As a mineral explorer, the Company may be exposed to economic downturn or fluctuations in commodity prices, changes to government regulations or environmental operating risks. These risks are managed through the internal control and risk management framework overseen by the directors. The operations and proposed activities of the Company are subject to State and Federal environmental regulation in both Australia and the United States and (as with other similar projects and operations) the Company expects those operations and activities to affect the environment, particularly if they constitute advanced exploration or mine development proceeds. The Company intends to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

The Company's Risk Management Policy and Audit Committee Charter are available on the corporate governance section of the Company's website.

## **Principle 8 - Remunerate fairly and responsibly**

The Board has established a Compensation Committee.

The Company's Compensation Committee Charter mandates that:

- there shall be no fewer than three members of the Committee; and
- each member of the Committee shall meet the independence requirements of Canadian securities laws and the TSX.

At the date of this report, the Compensation Committee consists of three members: Scott Patterson, Raffi Babikian and John Booth, each of whom is a non-executive director. All Committee members are considered to be independent directors. Scott Patterson acts as the independent chair, a director who is not chair of the Board. The number and attendance of meetings are detailed in the Management Information Circular attached to the notice of meeting.

The non-executive directors of the Company are compensated based on a retainer plus committee retainers. The non-executive directors may also participate in the corporate stock option plan. There are no schemes for retirement benefits for non-executive directors.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long-term performance incentives may include options.

Further discussion regarding compensation structures is disclosed in the Management Information Circular attached to the notice of meeting.

As the Company is incorporated in Canada, it is not required to comply with section 300A of the Corporations Act or Accounting Standard AASB 124 Related Party Disclosures. The Company is however required under Canadian law to provide details on director and senior executive compensation arrangements and these details can be found in the Management Information Circular. Whilst these disclosures are not the same as would otherwise be disclosed if the Company were incorporated in Australia and regulated by the Corporations Act, the Company regards such disclosures as providing shareholders with an appropriate level of information.

The Company has not adopted a policy to prohibit participants in the equity-based remuneration scheme from engaging in transactions designed to hedge or offset a decrease in the market value of equity-based compensation or other Company securities which are held directly or indirectly by them.

The Company's Compensation Committee Charter and the Remuneration Policy are available on the corporate governance section of the Company's website.

### **Additional recommendations that apply only in certain cases**

Laramide holds its meetings of security holders in Canada where the corporation is incorporated. Generally the meetings will be held near the end of the business day in Canada, which is early morning in Australia.

The external auditor is requested to attend the Annual General Meeting of shareholders. The Chairman will permit shareholders to ask questions of the auditor which concern the conduct of the audit and preparation of the Audit Report.