

**Discovery Africa Limited**  
**30 June 2020**  
**Corporate Governance Statement**

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value through entrepreneurship, innovation, development and exploration and provide accountability and control systems commensurate with risks involved.

Good corporate governance will evolve with the changing circumstances of a Company and must be tailored to meet these circumstances. Discover Africa Limited is a junior mining and exploration Company.

The Company's Board and management are committed to a high standard of corporate governance practices, ensuring that the Company complies with the Corporations Act 2001, Australian Securities Exchange (ASX) Listing Rules, Company Constitution and other applicable laws and regulations.

On March 2014, the ASX Corporate Governance Council released the 3<sup>rd</sup> Edition of its Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition Recommendations). Discovery Africa Limited has reviewed and updated its corporate governance practices to adopt the 3<sup>rd</sup> Edition Recommendations.

The table below sets out the Company's position as at 29 September 2020 with regards to its compliance with the 3<sup>rd</sup> Edition Recommendations:

<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
1.1	A listed entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	Adopted  The Directors have adopted a Corporate Governance Policy which includes details on the operation and role of the Board and directors. A copy of this is contained within their Corporate Governance is available on the Company's website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director: and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Adopted  Material information in relation to a director up for re-election is provided in the Notice of Meeting for each AGM including background, other material directorships, term and the Board's consideration of them as independent or non-independent director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted  Directors have entered into written letter agreements with the Company setting out the terms of their appointments, including their director fee entitlements.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Adopted  The responsibilities of the Company Secretary are contained within the Corporate Governance Policy document.
1.5	A listed entity should: (a) have a diversity Policy which includes requirements for Board/Committee to set measurable objectives for achieving gender diversity and assess them and achieving them annually (b) disclose that policy (c) disclose at end of reporting period how objectives are being achieved via: (i) respective proportions of men and women on the board, in senior	Partially Adopted  The Company has adopted a Diversity Policy, a copy of which is available on the Company's website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a> . Although it provides that the Board is to set specific objectives, they have yet to be set. There are no immediate plans to set these measurable objectives.  The Company makes the following disclosures regarding the proportion of women employed in the organisation:

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	<p>executive positions and across the whole organisation (including how senior exec is defined); or</p> <p>(ii) if entity is a “relevant employer” under the Workplace Gender Equality Act, the entities most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<ul style="list-style-type: none"> <li>- Women on Board: 0%</li> <li>- Women in Senior Management: 0%</li> <li>- Women in whole organisation: 0%</li> </ul>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Not Adopted</p> <p>The Company does not currently have a performance evaluation policy. It is the Company’s intention to eventually develop and adopt a process for periodic board and director evaluations.</p> <p>An evaluation has not taken place within the financial period.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Not Adopted.</p> <p>The Company does not currently have an executive performance evaluation policy as the Company does not currently have any executives. It is the Company’s intention to eventually develop and adopt a process for periodic senior executive evaluations.</p> <p>An evaluation has not taken place within the financial period.</p>
<b>PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by a independent director;</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(i) the charter of the committee;</li> <li>(ii) the members of the committee; and</li> <li>(iii) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Not Adopted</p> <p>The Company does not have a separate nomination committee and the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination and Remuneration Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee.</p> <p>The Nomination Committee Charter is available on the Company’s website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Not Adopted</p> <p>The Company currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is no immediate plans to develop and disclose a Board Skills Matrix.</p>

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors (b) if a director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each director.	Adopted.  (a) Graham Walker – Independent Jerko Zuvela – Independent (b) n/a n/a (c) Graham Walker – appointed 10 April 2014 – 77 months Jerko Zuvela – appointed 24 November 2014 – 70 months
2.4	A majority of the Board of a listed entity should be independent directors.	Adopted.  There are two directors considered to be independent – Graham Walker and Jerko Zuvela. Therefore two thirds of the board is considered independent.
2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not adopted.  Peter Lloyd is the current Chairman of the Company. There is currently no appointed CEO in the Company.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted.  The induction of new directors is currently completed by the Company Secretary. All Directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors.

**PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING**

	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of conduct or a summary of it.	Not Adopted.  The Company does not have a specific Copy of Code of Conduct, however directors' required conduct is contained within the Company's Corporate Governance Policy document. The Company intends to develop and adopt a Code of Conduct in the near future.

**PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
4.1	The board of a listed entity should:  (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board; And disclose: (iii) the charter of the committee (iv) the relevant qualifications and experience of the member of the committee; and (v) in relation to each reporting period, the number of times the committee met	Not Adopted  The role of the audit committee is currently undertaken by the full board. The Company has adopted an Audit Committee Charter which is published on the Company's website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a> . The Board follows the Audit Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.

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	<p>throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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.	Adopted
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Adopted
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Not Adopted.</p> <p>The Company currently does not have a written Continuous Disclosure Policy, however it is the Company's intention to develop and adopt a policy in the short term.</p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>Adopted</p> <p>Refer to the Company's Corporate Governance page on its website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>Not Adopted</p> <p>The Company does not have a Shareholder Communication strategy, however intends to develop a policy in the short term.</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>Adopted</p> <p>The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions</p>

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		they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, And disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</li> </ul>	Not Adopted  The Company does not currently have a Risk Committee. The role of the risk committee is undertaken by the whole board. The Board reviews risk on a regular basis and adopts mitigation processes as required.
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Not Adopted.  The Board reviews risk on a regular basis, however has not developed a formal risk management framework.  A review has not taken place in the reporting period.
7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>	Not Adopted  The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis.  Internal controls are reviewed on an annual basis.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Not Adopted.  The Company does not have a sustainability policy.
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
	<b>Recommendation</b>	<b>Discovery Africa Limited Current Practice</b>
8.1	The board of a listed entity should:	Not Adopted.

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	<p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Company does not have a Remuneration Committee.</p> <p>The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Nomination and Remuneration Committee Charter which is published on the Company's website – <a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Adopted.</p> <p>This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration Committee Charter.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<p>Not Applicable</p>