

**MARENGO MINING LIMITED**

(the “Company”)

**THE CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS**

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

<ul style="list-style-type: none"> <li>• <b>Recommendation 1.1:</b> Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions</li> </ul>	A	Matters reserved for the board are included on the Company’s website.
<ul style="list-style-type: none"> <li>• <b>Recommendation 1.2:</b> Companies should disclose the process for evaluating the performance of senior executives</li> </ul>	A	Performance evaluation of senior executives is the responsibility of the Human Resources and Compensation Committee. Details of the Human Resources and Compensation Committee are contained in the Corporate Governance Statement on the Company’s website and the Management Information Circular.
<ul style="list-style-type: none"> <li>• <b>Recommendation 1.3:</b> Companies should provide the information indicated in the Guide to reporting on Principle 1</li> </ul>	A	

**Principle 2 – Structure the board to add value**

<ul style="list-style-type: none"> <li>• <b>Recommendation 2.1:</b> A majority of the board should be independent directors</li> </ul>	A	The Board comprises seven directors, six of whom are non executive and independent (including the Chairman).
<ul style="list-style-type: none"> <li>• <b>Recommendation 2.2:</b> The chair should be an independent director</li> </ul>	A	
<ul style="list-style-type: none"> <li>• <b>Recommendation 2.3:</b> The roles of chair and chief executive officer should not be exercised by the same individual</li> </ul>	A	The position of Chairman and Managing Director are held by separate persons

<ul style="list-style-type: none"> <li>• <b>Recommendation 2.4:</b> The board should establish a nomination committee</li> </ul>	N/A	The board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the board carries out the process of determining the need for screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to the process.
<ul style="list-style-type: none"> <li>• <b>Recommendation 2.5:</b> Companies should disclose the process for evaluating the performance of the board, its committees and individual directors</li> </ul>	A	Performance evaluation of the Board, Directors and Key Executives is disclosed in the Company’s Human Resources and Compensation Committee charter.
<ul style="list-style-type: none"> <li>• <b>Recommendation 2.6:</b> Companies should provide the information indicated in the Guide to reporting on Principle 2</li> </ul>	A	The skills and experience of Directors are set out in the Company’s Annual Report and on its website.

### Principle 3 – Promote ethical and responsible decision-making

<ul style="list-style-type: none"> <li>• <b>Recommendation 3.1:</b> Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>○ the practices necessary to maintain confidence in the company’s integrity</li> <li>○ the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</li> <li>○ the responsibility and accountability of individuals for reporting and investigating reports of unethical practices</li> </ul> </li> </ul>	A	The Company has formulated a Code of Conduct which can be viewed on the Company’s website.
<ul style="list-style-type: none"> <li>• <b>Recommendation 3.2:</b> Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy</li> </ul>	A	The Company has formulated a share trading policy, which can be viewed on the Company’s website.
<ul style="list-style-type: none"> <li>• <b>Recommendation 3.3:</b> Companies should provide the information indicated in the Guide to reporting on Principle 3</li> </ul>	A	

#### Principle 4 – Safeguard integrity in financial reporting

<ul style="list-style-type: none"> <li>• <b>Recommendation 4.1:</b> The board should establish an audit committee</li> </ul>	A	
<ul style="list-style-type: none"> <li>• <b>Recommendation 4.2:</b> The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>○ consists only of non-executive directors</li> <li>○ consists of a majority of independent directors</li> <li>○ is chaired by an independent chair, who is not chair of the board</li> <li>○ has at least three members</li> </ul> </li> </ul>	A A A A	
<ul style="list-style-type: none"> <li>• <b>Recommendation 4.3:</b> The audit committee should have a formal charter</li> </ul>	A	The Company has formulated an audit committee charter, which can be viewed on the Company’s website.
<ul style="list-style-type: none"> <li>• <b>Recommendation 4.4:</b> Companies should provide the information indicated in the Guide to reporting on Principle 4</li> </ul>	A	

#### Principle 5 – Make timely and balanced disclosure

<ul style="list-style-type: none"> <li>• <b>Recommendation 5.1:</b> Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies</li> </ul>	A	The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations. The Board is acutely aware of the continuous disclosure regime and there are strong informal systems in place to ensure compliance, underpinned by experience.
<ul style="list-style-type: none"> <li>• <b>Recommendation 5.2:</b> Companies should provide the information indicated in the Guide to reporting on Principle 5</li> </ul>	A	The Board receives monthly updates on the status of the Company’s activities and any new or proposed activities. Disclosure is reviewed as a routine agenda item at each Board Meeting.

## Principle 6 – Respect the rights of shareholders

<ul style="list-style-type: none"> <li>• <b>Recommendation 6.1:</b> Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy</li> </ul>	A	<p>In line with adherence to continuous disclosure requirements of ASX, all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Reports, Half Yearly Reports, Quarterly Reports, the Company Website and the distribution of specific releases covering major transactions and events or other price sensitive information.</p>
<ul style="list-style-type: none"> <li>• <b>Recommendation 6.2:</b> Companies should provide the information indicated in the Guide to reporting on Principle 6</li> </ul>	N/A	

## Principle 7 – Recognise and manage risk

<ul style="list-style-type: none"> <li>• <b>Recommendation 7.1:</b> Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies</li> </ul>	A	<p>While the Company does not have formalised policies on risk management the Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors. Determined areas of risk which are regularly considered include:</p> <ul style="list-style-type: none"> <li>• Performance and funding of exploration activities</li> <li>• Budget control and asset protection</li> <li>• Status of mineral tenements</li> <li>• Land access and native title considerations</li> <li>• Compliance with government laws and regulations</li> <li>• Safety and the environment</li> <li>• Continuous disclosure obligations</li> <li>• Sovereign risk</li> <li>• Share market conditions</li> <li>• Economic risk</li> </ul>
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<ul style="list-style-type: none"> <li>• <b>Recommendation 7.2:</b> The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks</li> </ul>	N/A	While the Company does not have formalised policies on risk management it recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
<ul style="list-style-type: none"> <li>• <b>Recommendation 7.3:</b> The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is 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</li> </ul>	A	
<ul style="list-style-type: none"> <li>• <b>Recommendation 7.4:</b> Companies should provide the information indicated in the Guide to reporting on Principle 7</li> </ul>	N/A	

### Principle 8 – Remunerate fairly and responsibly

<ul style="list-style-type: none"> <li>• <b>Recommendation 8.1:</b> The board should establish a remuneration committee</li> </ul>	A	The Company has established a Human Resources and Compensation Committee which has a formal charter that can be viewed on the Company's website.
<ul style="list-style-type: none"> <li>• <b>Recommendation 8.2:</b> Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives</li> </ul>	A	
<ul style="list-style-type: none"> <li>• <b>Recommendation 8.3:</b> Companies should provide the information indicated in the Guide to reporting on Principle 8</li> </ul>	A	Refer to the Company's Annual Report and Management Information Circular.

A = Adopted

N/A = Not adopted