



CORPORATE GOVERNANCE STATEMENT - FOR THE FINANCIAL YEAR 2021

Black Dragon Gold Corp. (**Company**)

The Board of Directors of the Company (**Board**) are committed to achieving and maintaining high standards of performance and corporate governance.

The Company supports the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Company's practices are largely consistent with the Recommendations. The Board considers that the implementation of a small number of Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the Recommendations do not have a negative impact on the Company and the best interests of shareholders as a whole.

The directors of the Company (**Directors**, being either Non-Executive Directors or Executive Directors) are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

As required by the ASX Listing Rules, the Company's main corporate governance policies and practices are summarised below, having regard to the Recommendations. Details of the Company's corporate governance manual is available online at <https://www.blackdragongold.com/downloads/corpgovernance-files/bdg-corporate-governance-manual-final-2021.pdf>.

This corporate governance statement is current as at 30 March 2022 and has been approved by the Board.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Principle 1 - Lay solid foundations for management and oversight		
<p>Recommendation 1.1: A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p>	<p>The Board has adopted a formal charter that details the functions and responsibilities of the Board and management (Board Charter).</p> <p>As provided for in the Board Charter, the Board is responsible for all matters relating to the running of the Company, and more specifically, all matters relating to the policies, practices, management and operations of the Company. The following decisions must be approved by the Board:</p> <p>(a) appointing and when necessary replacing the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;</p> <p>(b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;</p> <p>(c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;</p> <p>(d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;</p> <p>(e) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;</p> <p>(f) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;</p> <p>(g) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a</p>

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
		<p>material effect on the price or value of the Company's securities; and</p> <p>(h) monitoring the effectiveness of the Company's governance practices.</p> <p>The responsibilities of the Board as a whole, the Chair, individual Directors and the functions delegated to Senior Management are set out in more detail in Part 2 of the Company's Corporate Governance Manual, which is available on the Corporate Governance page of the Company's website https://www.blackdragongold.com/downloads/corpgovernance-files/-bdg-corporate-governance-manual-final-2021.pdf.</p>
<p>Recommendation 1.2: A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(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.</p>	<p>Yes</p>	<p>The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company and procedures outlined in the Company's constitution and the <i>Corporations Act 2001</i> (Cth).</p> <p>The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.</p> <p>The Company gives shareholders all material information in its possession relevant to the decision whether or not to elect or re-elect a Director, either in the notice of meeting and explanatory statement for the relevant meeting of shareholders which addresses the election or re-election of the Director, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.</p>

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<p>Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Yes</p>	<p>Under Part 2 of the Company's Corporate Governance Manual (Board Charter), the Company must have a written agreement with each Director and senior executive setting out the terms of their appointment.</p> <p>Each Non-Executive Director receives a letter formalising their appointment and outlining the material terms of their appointment. Each Non-Executive Director has signed a letter of appointment.</p> <p>Each Executive Director has signed an executive service agreement setting out their duties, obligations and remuneration.</p>
<p>Recommendation 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.</p>	<p>Yes</p>	<p>As set out in Part 2 of the Company's Corporate Governance Manual (Board Charter), the Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary has primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.</p>
<p>Recommendation 1.5: A listed entity should:</p> <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in 	<p>No</p>	<p>The Company recognises the positive advantages of a diverse workplace and is committed to:</p> <ul style="list-style-type: none"> (a) creating a working environment conducive to the appointment of well-qualified employees, Senior Management and Board candidates; and (b) identifying ways to promote a corporate culture which embraces diversity. <p>The Board has adopted a diversity policy, but due its size and stage of development does not disclose at the end of each reporting period, the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress.</p>

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<p>accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		<p>The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers measure to improve it. The Board will further consider the establishment of objectives for achieving gender diversity as the Company develops and its circumstances change.</p>
<p>Recommendation 1.6: 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>Yes</p>	<p>The Board regularly monitors its performance and the performance of the Directors and Board throughout the year. This may occur through an internal review led by the Chair, or be performed with the assistance of external advisers as considered appropriate.</p> <p>Generally, evaluations are conducted initially by the [Chair] via questionnaires and/or interviews covering matters such as each Director's individual contribution, Board performance and the functioning of the Board processes. The overall outcomes are discussed by the Board with measures taken to improve the effectiveness and efficiency of the Board as appropriate.</p> <p>An informal performance evaluation was undertaken during the year led by the Chair. Further details regarding the performance evaluation of the individual Directors are set out in the Company's Remuneration Report (contained in the Company's Annual Report).</p>

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<p>Recommendation 1.7: 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>Yes</p>	<p>All senior executives are subject to an annual performance evaluation. Each year, senior executives will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position.</p> <p>An informal assessment of progress is carried out throughout the year. A full evaluation of an executive's performance against the agreed targets takes place annually. This will normally occur in conjunction with goal setting for the coming year. As the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are also dependent on the outcome of the evaluation.</p> <p>During the financial year ended 2021, all senior executives took part in the employee performance evaluation process performed for all employees of the Company.</p>
Principle 2 – Structure the board to be effective and add value		
<p>Recommendation 2.1: The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	<p>Partially</p>	<p>The Company recognises that Recommendation 2.1 of the Recommendations suggests the establishment of a Nomination Committee and associated Charter. However, in view of the small size of the Company's Board, the Board in its entirety (with abstentions from relevant Directors where there is a conflict of interest) acts effectively as Nomination Committee and there is no need to further subdivide it. As such, a Nomination Committee is an unnecessary measure for the Company.</p> <p>The Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.</p>

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<p>(iv) the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues 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>Recommendation 2.2: 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>Yes</p>	<p>The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. It seeks to achieve a Board composition with a balance of diverse attributes relevant to the Company's operations and markets, including skills sets, background, gender, geography and industry experience. In addition to those general skills expected for Board membership, the following skills have also been identified as being necessary: experience in operational management, exploration and geology, mining engineering, project delivery, finance, corporate governance, equity capital markets and business development. The Board is comfortable with the skills matrix represented by the current Board.</p> <p>A profile of each Director setting out their skills, experience and period of office is set out in the Directors' Report of the latest Annual Report.</p>								
<p>Recommendation 2.3: A listed entity should disclose:</p>	<p>Yes</p>	<p>As at 31 December 2021, the Board consisted of:</p> <table border="1" data-bbox="1211 1310 2078 1375"> <thead> <tr> <th data-bbox="1211 1310 1417 1375">Name</th> <th data-bbox="1417 1310 1641 1375">Role</th> <th data-bbox="1641 1310 1854 1375">Independent?</th> <th data-bbox="1854 1310 2078 1375">Date appointed</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name	Role	Independent?	Date appointed				
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<p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		Jo Battershill	Non-Executive Chairman	Yes	4 July 2017
		Paul Cronin	Executive Director	No	4 July 2017
		Alberto Lavandeira	Non-Executive Director	Yes	4 July 2017
		<p>Jo Battershill and Alberto Lavandeira are regarded as independent Non-Executive Directors.</p> <p>Paul Cronin is not considered independent on the basis that he is an Executive Director. Despite this, the Board believes that he is able, and does make, quality and independent judgments in the best interest of the Company on all relevant issues before the Board.</p> <p>The Board assesses the independence of Directors annually, or more frequently if circumstances require.</p> <p>In applying the definition of independence, the Board will take into consideration the ASX Principles of Good Corporate Governance and Best Practice Recommendations and appropriate materiality thresholds to ensure a director is free of any business or other relationship that could materially interfere with (or reasonably perceived to interfere with) the exercise of their independent judgement.</p>			
<p>Recommendation 2.4: A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>As show in the table at Recommendation 2.3 above, a majority of the Board is independent, with 2 of the 3 Directors being independent.</p>			

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<p>Recommendation 2.5: The chair of the 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.</p>	<p>Yes</p>	<p>Jo Battershill, who was appointed as Chair in July 2017, is an independent Non-Executive Director. His qualifications and experience are stated in the Company's latest Annual Report. He does not perform the role of CEO of the Company.</p> <p>In applying the definition of independence, the Board will take into consideration the ASX Principles of Good Corporate Governance and Best Practice Recommendations and appropriate materiality thresholds to ensure a director is free of any business or other relationship that could materially interfere with (or reasonably perceived to interfere with) the exercise of their independent judgement.</p>
<p>Recommendation 2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Yes</p>	<p>As referred to in Part 2 of the Company's Corporate Governance Manual (Board Charter), new directors go through an induction process which includes meeting with key executives, tours of the premises, an induction package and presentations.</p> <p>The Board is also responsible for the approval and review of continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>
<p>Principle 3 – Act ethically and responsibly</p>		
<p>Recommendation 3.1: A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Yes</p>	<p>The Company seeks to encourage and develop a culture which will maintain and enhance its reputation as a valued corporate citizen of the countries where it operates and an employer which personnel enjoy working for.</p> <p>The Company has established a Code of Conduct that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standards of behaviour expected from its Directors</p>

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		<p>and employees. The Code of Conduct sets out policies in relation to various corporate and personal behaviour including safety, discrimination, respecting the law, anti-corruption, interpersonal conduct and conflict of interest.</p> <p>While the Code of Conduct seeks to prescribe standards of behaviour for all Company personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The Code of Conduct's objective is to provide a framework for decisions and actions in relation to ethical conduct in employment, to safeguard the Company's reputation and to make clear the consequences of breaching the Code of Conduct.</p> <p>A copy of the Company's Code of Conduct can be found in Part 1 of the Company's Corporate Governance Manual, which is available on the Company's website, https://www.blackdragongold.com/downloads/corp-governance-files-/bdg-corporate-governance-manual-final-2021.pdf.</p>						
Principle 4 – Safeguard the integrity of corporate reports								
<p>Recommendation 4.1: The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p>	Partially	<p>In November 2018, the Audit Committee (Audit Committee) was formed and operates under the Audit Committee and Risk Management Policy, which is set out in Part 5 of the Corporate Governance Manual, which is available on the Company's website, https://www.blackdragongold.com/downloads/corp-governance-files-/bdg-corporate-governance-manual-final-2021.pdf.</p> <p>As at 31 December 2021, the Audit Committee consists of the following Directors:</p> <table border="1" data-bbox="1205 1313 2085 1362"> <thead> <tr> <th data-bbox="1205 1313 1543 1362">Name</th> <th data-bbox="1543 1313 1881 1362">Role</th> <th data-bbox="1881 1313 2085 1362">Independent?</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name	Role	Independent?			
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<p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members 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>		<table border="1" data-bbox="1207 256 2085 416"> <tr> <td data-bbox="1207 256 1543 312">Jo Battershill</td> <td data-bbox="1543 256 1879 312">Member</td> <td data-bbox="1879 256 2085 312">yes</td> </tr> <tr> <td data-bbox="1207 312 1543 363">Paul Cronin</td> <td data-bbox="1543 312 1879 363">Member</td> <td data-bbox="1879 312 2085 363">No</td> </tr> <tr> <td data-bbox="1207 363 1543 416">Alberto Lavandeira</td> <td data-bbox="1543 363 1879 416">Chair</td> <td data-bbox="1879 363 2085 416">Yes</td> </tr> </table> <p>The qualifications and experience of the members of the Audit Committee are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p> <p>The Audit Committee is chaired by Alberto Lavandeira, an independent Non-Executive Director, who is not the Chair of the Board. Information on the Company's procedures for the selection and appointment of the external auditor and the rotation of external audit partners is set out in Part 5 of the Corporate Governance Manual, which is available on the Company's website, https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf.</p> <p>The Audit Committee met twice during the reporting period and the individual attendances included all 3 committee members.</p>			Jo Battershill	Member	yes	Paul Cronin	Member	No	Alberto Lavandeira	Chair	Yes
Jo Battershill	Member	yes											
Paul Cronin	Member	No											
Alberto Lavandeira	Chair	Yes											
<p>Recommendation 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</p>	<p>Yes</p>	<p>Under the Company's Code of Conduct, which is set out in Part 1 of the Corporate Governance Manual and is available on the Company's website, https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/, the CEO and CFO will provide a written declaration of assurance that in their opinion, the financial records of the Company for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>											

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risk management and internal control which is operating effectively.		Such declarations were obtained in relation to the issue of all of the Company's financial statements, being the Company's Appendices 5B (Quarterly Reports), Half-year Report and its Annual Report.
Recommendation 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.	Yes	The Company will hold its annual general meeting in British Columbia. The Company may hold its annual general meeting outside of British Columbia if approved by the directors. Under Canadian Law, the auditor is not required to attend an annual general meeting, however, the external auditor of the Company will be asked to attend each Annual General Meeting of the Company and be available to answer shareholder questions about the conduct of the audit and the preparation of the Auditor's Report.
Principle 5 – Make timely and balanced disclosure		
Recommendation 5.1: A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	The Company has established a Continuous Market Disclosure Policy which is designed to guide compliance with ASX Listing Rule disclosure requirements, and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Continuous Disclosure Policy is available in the Company's Corporate Governance Manual, located at the Company's website at https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/ . The Continuous Disclosure Policy: (a) raises awareness of the Company's obligations under the continuous disclosure regime; (b) establishes a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the Non-Executive Chairman, being the person/s primarily responsible for ensuring

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		<p>the Company complies with its continuous disclosure obligations, in a timely manner and is kept confidential; and</p> <p>(c) sets out the obligation of Directors, officers and employees of the Company to ensure that the Company complies with its continuous disclosure obligations.</p> <p>The Board has designated the Managing Director and/or Chair of the Board as the person primarily responsible for ensuring that the Continuous Disclosure Policy is implemented and that all relevant information is disclosed as required.</p> <p>In accordance with the Company's Continuous Disclosure Policy, all information provided to ASX for release to the market is also posted to the Company's website.</p>
Principle 6 – Respect the rights of security holders		
<p>Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Yes</p>	<p>The Board aims to ensure that the Company's shareholders are informed of all major developments affecting the Company's state of affairs.</p> <p>The Company keeps investors informed through its website, https://www.blackdragongold.com, which contains information on the Company, the Board and the corporate governance policies and procedures of the Company. Through its website, investors can access copies of the Company's annual, half-yearly and quarterly reports (for at least three historical years), announcements to the ASX, notices of meeting, presentations and key media coverage.</p>
<p>Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communications with investors.</p>	<p>Yes</p>	<p>The Company has a Shareholder Communication Strategy which is located in Part 6 of the Corporate Governance Manual, available on the Company's website at https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/. The Shareholder</p>

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		Communication Strategy encourages shareholder participation and engagement with the Company. This strategy also facilitates communication directly between shareholders and the Company, with any shareholder queries coordinated through the Company Secretary.
Recommendation 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.	Yes	The Shareholder Communication Strategy encourages shareholder participation at shareholders' meetings. Shareholders are provided with all notices of meeting prior to meetings. The Company's lead auditor is also made available for questions at the annual general meeting. Shareholders are also always given the opportunity to ask questions of the Directors and management, either during or after shareholders' meetings.
Recommendation 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.	Yes	The Company provides information through its website, enabling security holders to email the Company and to receive Company announcements by email. The share registry also provides (through its website, links to which can be found on the Company's website) the ability to email the share registry and to receive documents by email from the share registry.
Principle 7 – Recognise and manage risk		
Recommendation 7.1: The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose:	Partially	In November 2018, the Audit Committee (Audit Committee) was formed and operates under the Audit Committee and Risk Management Policy, which is set out in Part 5 of the Corporate Governance Manual, which is available on the Company's website, https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf .

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<p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have a risk committee or committees that satisfy paragraph (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>As at 31 December 2021, the Audit Committee consists of the following Directors:</p> <table border="1" data-bbox="1209 395 2083 606"> <thead> <tr> <th data-bbox="1209 395 1545 448">Name</th> <th data-bbox="1545 395 1881 448">Role</th> <th data-bbox="1881 395 2083 448">Independent?</th> </tr> </thead> <tbody> <tr> <td data-bbox="1209 448 1545 501">Jo Battershill</td> <td data-bbox="1545 448 1881 501">Member</td> <td data-bbox="1881 448 2083 501">Yes</td> </tr> <tr> <td data-bbox="1209 501 1545 553">Alberto Lavandeira</td> <td data-bbox="1545 501 1881 553">Chair</td> <td data-bbox="1881 501 2083 553">Yes</td> </tr> <tr> <td data-bbox="1209 553 1545 606">Paul Cronin</td> <td data-bbox="1545 553 1881 606">Member</td> <td data-bbox="1881 553 2083 606">No</td> </tr> </tbody> </table> <p>The qualifications and experience of the members of the Audit Committee are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p> <p>The Audit Committee is chaired by Richard Monti, an independent Non-Executive Director, who is not the Chair of the Board. Information on the Company's procedures for the selection and appointment of the external auditor and the rotation of external audit partners is set out in Part 5 of the Corporate Governance Manual, which is available on the Company's website, https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf.</p> <p>The Audit Committee met twice during the reporting period and the individual attendances included all 3 committee members.</p>	Name	Role	Independent?	Jo Battershill	Member	Yes	Alberto Lavandeira	Chair	Yes	Paul Cronin	Member	No
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Jo Battershill	Member	Yes												
Alberto Lavandeira	Chair	Yes												
Paul Cronin	Member	No												
<p>Recommendation 7.2: The board or a committee of the board should:</p>	<p>Yes</p>	<p>The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy, which is located in Part 5 of the Corporate Governance Manual, available on the Company's website at</p>												

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<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>		<p>https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/.</p> <p>Under the Company's Risk Management Policy, the Board reviews all major strategies and purchases for their impact on the risks facing the Company and makes appropriate recommendations. The Company also undertakes an annual review of operations to update its risk profile, which normally occurs in conjunction with the strategic planning process. This annual review occurred during the reporting period. The Board also undertakes an annual review of the risk areas identified in the Risk Management Policy.</p>
<p>Recommendation 7.3: A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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 governance, risk management and internal control processes.</p>	<p>No</p>	<p>The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.</p> <p>The Board performs all key elements of an internal audit function, including:</p> <p>(a) evaluating and seeking and obtaining reasonable assurance that risk management, control and governance systems are functioning as intended and will enable the Company's objectives and goals to be met;</p> <p>(b) evaluating information security and associated risk exposures;</p> <p>(c) evaluating regulatory compliance programs with consultation from internal and external legal counsel;</p> <p>(d) evaluating the Company's preparedness in case of business interruption; and</p> <p>(e) providing oversight of the Company's anti-fraud programs.</p>

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
		<p>The Board delegates to the Chief Executive Officer and/or equivalent the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Board for consideration at its next meeting. The Board may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.</p>
<p>Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Policy, which is located in Part 5 of the Company's Corporate Governance Manual located on the Company's website, https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/. The Company has, and continues to, undertake various organisation wide risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.</p> <p>The Company operates in Spain, which is a mature and well regulated mining jurisdiction. As part of the Company's mining development approvals process, the Company must adhere to strict environmental and social regulations.</p> <p>Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, approvals and standards so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities, the Company has been able to operate in an environmentally sustainable and responsible manner.</p> <p>Social: The Company recognises that a failure to manage stakeholder expectations may lead to disruption to the Company's operations. The</p>

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		Company is proud to be involved in and supportive of community groups, organisations and charities in the region in which it operates.
Principle 8 – Remunerate fairly and responsibly		
<p>Recommendation 8.1: The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 20px;">(iii) the charter of the committee;</p> <p style="padding-left: 20px;">(iv) the members of the committee; and</p> <p style="padding-left: 20px;">(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</p> <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>	<i>Partially</i>	<p>As a consequence of the size and composition of the Company's Board the Board does not have a standalone Remuneration Committee.</p> <p>The Board as a whole has responsibilities typically assumed by a remuneration committee, including but not limited to:</p> <p>(a) reviewing the remuneration (including short- and long-term incentive schemes and equity-based remuneration, where applicable) and performance of Directors;</p> <p>(b) setting policies for Senior Executive remuneration, setting the terms and conditions of employment for Senior Executives, undertaking reviews of Senior Executive performance, including setting goals and reviewing progress in achieving those goals; and</p> <p>(c) reviewing the Company's Senior Executive and employee incentive schemes (including equity-based remuneration) (where applicable) and making recommendations to the Non-Executive Chair on any proposed changes.</p> <p>That is, matters typically dealt with by a remuneration committee are dealt with by the full Board.</p>

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<p>Recommendation 8.2: 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>Yes</p>	<p>The Board Charter sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.</p> <p>Details of the remuneration of the Directors and other executives are set out in the Remuneration Report (which forms part of the Director's Report contained in the Company's latest Annual Report).</p>
<p>Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>The Company's Trading Policy prohibits the hedging of unvested performance share rights and vested securities that are subject to disposal restrictions. This is in line with the requirements of the <i>Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011</i> (Cth), and is intended to prevent transactions which could have the effect of distorting the proper functioning of performance hurdles or reducing the intended alignment between management's and shareholders' interests.</p> <p>For the purposes of this policy, hedging includes the entry into any derivative transaction within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars) and any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.</p> <p>The Trading Policy is located in Part 5 of the Company's Corporate Governance Manual, which is available on the Company's website at https://www.blackdragongold.com/downloads/corpgovernance-files-/bdg-corporate-governance-manual-final-2021.pdf/.</p>