

As an AIM-quoted company, Bezant Resources PLC (“Bezant” or the “Company”) and its subsidiaries are required to apply a recognised corporate governance code and demonstrate how the Group complies with such corporate governance code and where it departs from it.

The Directors of the Company have formally taken the decision to apply the QCA Corporate Governance Code (the “**QCA Code**”). The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which small to medium sized companies, such as Bezant, have been created. The Company is committed to providing annual updates on its compliance with the QCA Code further details of which are set out below.

### **The Board**

The Board comprises (for the time being) three Directors of which one is executives and two are non-executives, reflecting a blend of different experience and backgrounds. The Board considers Dr. Evan Kirby and Ronnie Siapno to be independent non-executives in terms of the QCA guidelines. The Company’s Executive Director is Colin Bird who is also Chairman of the Board. Given the stage of the Company’s early-stage exploration mining projects and the experience of the Chair Mr. Bird in managing such international exploration mining projects and his familiarity with the Company’s projects the Company believes that it is appropriate for the roles of Chairman and Chief Executive Officer to be combined at this stage. The Company will keep this under review as the Company’s projects develop with a view to splitting the roles when it is clear which projects will become the principal activities of the Company and can justify the need for and benefit from a separate CEO. The Company will therefore consider making further appropriate appointments to the Board as an when considered appropriate.

The Board is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement. It meets throughout the year and all major decisions are taken by the full Board. The Chairman takes responsibility for the conduct of the Company and Board meetings and ensures that directors are properly briefed to enable full and constructive discussions to take place. The Group’s day-to-day operations are managed by the Chief Executive Officer as assisted by the Group Company Secretary in respect of corporate matters generally, compliance and company administration. All Directors have access to the Company’s Solicitors, along with the Group Company Secretary and any Director needing independent professional advice in the furtherance of his/her duties may obtain this advice at the expense of the Group. However, no formal procedure has been agreed with the Board regarding the circumstances in which individual directors may take independent professional advice.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively, and that all Directors have adequate time to fulfil their roles.

Details of the current Directors, their roles and background are set out on the Company’s website at [www.bezantresources.com](http://www.bezantresources.com)

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Group. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman is considered independent and has adequate separation from the day-to-day running of the Group.

The role of the Chief Executive Officer is for the strategic development of the Group and for communicating it clearly to the Board and, once approved by the Board, for implementing it.

## Corporate Governance Statement

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In addition, the Chief Executive Officer is responsible for overseeing the management of the Group and its executive management.

Under the Company's Articles of Association, the appointment of all new Directors must be approved by shareholders in a general meeting. In addition, one third of Directors are required to retire and to submit themselves for re-election at each Annual General Meeting.

### Application of the QCA Code

In the spirit of the QCA Code, it is the Board's task to ensure that the Group is managed for the long-term benefit of all shareholders and other stakeholders with effective and efficient decision-making. Corporate governance is an important part of that task, reducing risk and adding value to the Group. The Board will continue to monitor the governance framework of the Group as it grows.

Bezant is an exploration entity whose assets comprise early-stage projects that are not yet at the production stage. It currently has interests in three copper-gold projects, one in Zambia, one in the Philippines and one in Argentina. Currently, no revenue is generated from such projects. The Company seeks to promote long-term value creation for its shareholders by leveraging the technical knowledge and experience of its directors and senior management to develop and realise value from its projects. The key performance indicators for the Company are therefore linked to the achievement of project milestones and the increase in overall enterprise value.

All operations are conducted in a manner that protects the environment and the health and safety of employees, third parties and local communities in general. Bezant believes that a successful project is best achieved through maintaining close working relationships with local communities, such social ideology being at the forefront of all of Bezant's exploration initiatives via establishing and maintaining co-operative relationships with local communities, hiring local personnel and using local contractors and suppliers. Where issues are raised, the Board takes the matters seriously and, where appropriate, steps are taken to ensure that findings are integrated into the Company's strategy.

Careful attention is given to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts. Bezant takes a conscientious role in all of its operations and is aware of its social responsibility and its environmental duty.

Both the engagement with local communities and the performance of all activities in an environmentally and socially responsible way are closely monitored by the Board which ensures that ethical values and behaviours are recognised.

### Corporate Governance Committees

The Board has established two committees comprising Non-Executive Directors and Executive Directors.

The composition of the committees is as follows:

#### Audit

Dr. Evan Kirby (*Chairman*)  
Colin Bird

#### Remuneration

Colin Bird (*Chairman*)  
Dr. Evan Kirby  
Ronnie Siapno

### **The Audit Committee**

The audit committee receives reports from management and the external auditors relating to the interim report and the annual report and financial statements, reviews reporting requirements and ensures that the maintenance of accounting systems and controls is effective.

The audit committee has unrestricted access to the Company's auditors. The audit committee also monitors the controls which are in force and any perceived gaps in the control environment. The Board believes that the current size of the Group does not justify the establishment of an independent internal audit department. Finance personnel are periodically instructed to conduct specific reviews of business functions relating to key risk areas and to report their findings to the Board.

The Audit Committee meets twice during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below.

The Audit Committee does not consider there is a need for an internal audit function given the size and nature of the Group.

Significant issues considered by the Audit Committee during the year have been the Principal Risks and Uncertainties and their effect on the financial statements. The Audit Committee tracked the Principal Risks and Uncertainties through the year and kept in contact with the Group's Management, External Service Providers and Advisers. The Audit Committee is satisfied that there has been appropriate focus and challenge on the high-risk areas.

UHY Hacker Young LLP, the current external auditors, have been in office since 2007 which was the last time a tender for the audit took place. The external auditors present their annual audit findings to the Board.

### **Remuneration Committee**

The Remuneration Committee determines the scale and structure of the remuneration of the executive Directors and approves the granting of options to Directors and senior employees and the performance related conditions thereof. The Remuneration Committee also recommends to the Board a framework for rewarding senior management, including Executive Directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group and ensures that the elements of the remuneration package are competitive and help in underpinning the performance-driven culture of the Group.

The Company does not currently have a separate Nominations Committee, with the entire Board involved in the identification and approval of Board members which the Board considers to be appropriate given the Company's size and nature, but it will continue to monitor the situation as it grows.

### **Internal control**

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems manage rather than eliminate the risks to which the Group is exposed and such systems, by their nature, can provide reasonable but not absolute assurance against misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures which the Directors have established with a view to providing effective internal control, are as follows:

- ◆ Identification and control of business risks  
The Board identifies the major business risks faced by the Group and determines the appropriate course of action to manage those risks.
- ◆ Budgets and business plans  
Each year the Board approves the business plan and annual budget. Performance is monitored and relevant action taken throughout the year through the regular reporting to the Board of changes to the business forecasts.
- ◆ Investment appraisal  
Capital expenditure is controlled by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Appropriate due diligence work is carried out if a business or asset is to be acquired.
- ◆ Annual review and assessment  
In 2018, the Board conducted a detailed review and assessment of the effectiveness of the Group's strategy, a process that will be maintained on an ongoing basis.

### Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards as adopted by the European Union. Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that year.

In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

### Relations with shareholders

The Board attaches considerable importance to the maintenance of good relationships with shareholders. Presentations by the Directors to institutional shareholders and City analysts are made as and when considered appropriate by the Board and the Company's advisers.

All shareholders are invited to attend the Annual General Meeting and all General Meetings, when required, and are encouraged to take the opportunity of putting questions to the Board.

The Annual General Meeting is regarded as an opportunity to communicate directly with private shareholders. In light of current restrictions on public gatherings and to ensure shareholders can comply with the Government measures, the Company has concluded that it will call a procedural Annual General Meeting to be held on or around Monday 4 August 2020 at which shareholders will not be permitted to attend in person, it is currently intended that the AGM will be held with only the appointed chair of the meeting and two other nominated shareholders. The Company intends, government measures in relation to COVID-19 permitting, to call a general meeting later in the year at which the audited accounts for the year ended 31<sup>st</sup> December 2019 will be presented and shareholders invited to attend.

**Departures from the QCA Code:**

In accordance with the requirements of the AIM Rules for Companies, Bezant departs from the QCA Code in the following ways:

**Principle 7 - “Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.”**

Bezant’s board is small and extremely focussed on implementing the Company’s strategy. Given the size and nature of Bezant, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code. The Board will closely monitor the situation as the Group grows.

**No Nominations Committee**

The QCA Code states that there should be a nomination committee to deal with the appointment of both executive and non-executive Directors except in circumstances where the Board is small. The Directors consider the size of the current Board to be small and have not therefore established a nomination committee. The appointment of executive and non-executive Directors is currently a matter for the Board as a whole. This position will be reviewed should the number of directors increase substantially.

**Chair is also Chief Executive officer**

The QCA Code states that the role of Chair and chief Executive Officer should be separate. Given the stage of the Company’s early-stage exploration mining projects and the experience of the Chair Mr. Bird in managing such international exploration mining projects and his familiarity with the Company’s projects the Company believes that it is appropriate for the roles of Chairman and Chief Executive Officer to be combined at this stage. The Company will keep this under review as the Company’s projects develop with a view to splitting the roles when it is clear which projects will become the principal activities of the Company and can justify the need for and benefit from a separate CEO. The Company will therefore consider making further appropriate appointments to the Board as an when considered appropriate.



Dr. Evan Kirby  
Non- Executive Director  
30 June 2020