



CORPORATE GOVERNANCE POLICY

24th SEPTEMBER 2018

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Important information

Details of Directors

Michael Struthers

Role(s)

Chief Executive Officer (“CEO”)

Neil O’Brien

Non-executive Chairman
Member of the Audit, Remuneration and AIM
Compliance Committees

Gregory Kuenzel

Finance Director and Company Secretary

Laurence Mutch

Non-executive Director
Chairman of the Audit Committee and member
of the Remuneration Committee and the AIM
Compliance Committee

Peter Damouni

Non-executive Director
Chairman of the Remuneration Committee and
the AIM Compliance Committee, member of the
Audit Committee

Definitions

In this policy document, unless the context requires otherwise, the following definitions shall apply:

AIM	AIM, a market operated by the London Stock Exchange plc
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
AGM	annual general meeting
Board	the Board of Directors of the Company
Company	Georgian Mining Corporation
Directors	Directors of the Company
Group	the Company and its subsidiaries from time to time
QCA	Quoted Companies Alliance
QCA Code	Corporate Governance Code for Small and Mid-size Quoted Companies issued by the QCA
Shareholders	shareholders of the Company

Introduction

1. Chairman's Introduction

- 1.1 From 28th September 2018 as part of a change to the AIM Rules, the Company is required to maintain on its website details of a recognised corporate governance code, how the Company complies with this code and an explanation of any deviations from the code. The information will need to be reviewed annually and the website should include the date on which the information was last reviewed. Going forward this will be reviewed at the same time as the Annual Report and Accounts are prepared.
- 1.2 Our values are based on our virtuous circle of “doing the right thing” for our people, suppliers, Shareholders and eventually our customers. The Board believes this is vital to creating a sustainable, growing business and is a key responsibility of the Group.
- 1.3 It is the Board's responsibility to ensure that the Group is managed for the long-term benefit of all Shareholders, with effective and efficient decision-making. Corporate governance is an important part of that responsibility, reducing risk and adding value to our business.

2. Corporate governance regime

- 2.1 The Board have adopted the QCA Code in line with the London Stock Exchange's recent changes to the AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code. This policy document sets out in broad terms how the Company complies at this point in time. The Company will provide annual updates on its compliance with the code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

1. Strategy & purpose

- 1.1 The principal activity of the Group is the exploration for and development of precious and base metals mineral deposits.
- 1.2 The Group's aim is to create value for shareholders through the discovery and development of such economic mineral resource deposits.
- 1.3 The Group's strategy is to continue to progress the development of its existing projects in Georgia and on an ongoing basis to evaluate existing and new mineral resource opportunities with a view to potential joint venture arrangements and/or other corporate activities.

2. Business model

- 2.1 The Group shall be run as a commercially-minded business, seeking to return an increase on investment capital to Shareholders. Proven methods of raising capital through recognised means available to publicly-listed companies will be relied on to fund exploration efforts and administrative costs. Commercially-viable strategies will be considered to create value from the Group's assets, including development, mining, joint venture, farm-out or sale of each asset.
- 2.2 The Board maintains a risk register which identifies key risks & challenges faced by the Group and identifies mitigating actions & controls implemented by the Group to address each risk.
- 2.3 The Board implements the Group's stated strategy by:
 - 2.3.1 Focusing investment into the exploration of world-class mineralised domains;
 - 2.3.2 Establishing strict criteria for project selection;
 - 2.3.3 Utilising industry recognised methods of exploration and resource development;
 - 2.3.4 Applying a results-driven approach;
 - 2.3.5 Actively monitoring operational and financial performance, measured against deliverable targets and budgets; and
 - 2.3.6 Considering alternative commercial options for projects which no longer meet the established criteria of the Group.

Principle 2: Seek to understand and meet shareholder needs and expectations

1. Shareholder dialogue

- 1.1 The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about the Company, and in turn, helping these audiences understand the Company's business, is a key part of driving the business forward and the Company actively seeks dialogue with the market. The Company will do so via investor roadshows, attending investor conferences, hosting capital markets days and through regular reporting.

2. Private Shareholders

- 2.1 The AGM is the main forum for dialogue between retail Shareholders and the Board. The Notice of Meeting is sent to Shareholders at least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by Shareholders. The results of the AGM are subsequently published on the Company's corporate website.

3. Institutional Shareholders

- 3.1 The Board actively seeks to build relationships with institutional Shareholders. Shareholder relations are managed primarily by the CEO, as appropriate. In addition, the CEO frequently speaks to institutional Shareholders in order to listen to their feedback and have a direct conversation on any areas of concern.
- 3.2 The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the CEO. Any significant investment reports from analysts are also circulated to the Board. The Finance Director, Non-Executive Chairman and Non-Executive Director are available to meet with major shareholders if required to discuss issues of importance to them.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

1. Engagement

- 1.1 Engaging with stakeholders strengthens relationships and helps make better business decisions to deliver on commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and the Group's business, and to enable the Board to understand and consider these issues in decision-making. Aside from Shareholders, suppliers and customers, employees are one of the most important stakeholder groups and the Board therefore closely monitors and reviews the results of the Company's employee engagement surveys as well as any other feedback it receives to ensure alignment of interests.

2. Employees

- 2.1 The Group has established a safe and healthy work environment, which complies with the relevant occupational health & safety laws and practices. The Group ensures that the workforce is provided with sufficient training to develop the appropriate skills and knowledge to complete the tasks requested of them.
- 2.2 The Group maintains an open dialogue with employees on issues that matter to them and takes these into account in decision-making.

3. Contractors & suppliers

- 3.1 In respect of occupational health & safety, all contractors and sub-contractors are treated in exactly the same manner as employees, and the Group requires the same standards of performance of them as of employees.
- 3.2 As for Employees, the Group maintains an open dialogue with all contractors and sub-contractors on issues that matter to them, and where appropriate takes these into consideration in decision-making.
- 3.3 Independent contractors are required to provide their own PPE (personal protective equipment) whilst working on any Group sites. Independent contractors are also required to hold their own public liability and employer liability insurance.
- 3.4 All contractors are subject to site induction training on their first visit to any of the sites operated by the Group, and to refresher training for infrequent visitors.

4. Communities

- 4.1 Community engagement is one of the key pillars of the Company's corporate social responsibility (CSR) policy. The Company undertakes active community engagement to respect the human rights, culture, customs, interests and values of the people in the communities in which we operate in a manner consistent with the spirit and intent of Georgian Mining HSEC expectations.

5. Modern slavery

- 5.1 As part of our Group's mission to "do the right thing" we oppose modern slavery in all its forms and will try to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

1. Risk register and assessment of risks

- 1.1 To assist the Board with effectively managing risk across the Group the Company has established a risk register which is updated annually, as a minimum.
- 1.2 At the operational level the Company undertakes risk assessments for all major activities in conjunction with operating teams, and develops and maintains Safe Operating Procedures for critical field activities.

2. Internal control

- 2.1 The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by executive management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company and the Group.
- 2.2 The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to its business plan.
- 2.3 The Board is responsible for reviewing and approving overall Company strategy, approving profit & loss and capital budgets & plans, and for determining the financial structure of the Company including treasury, tax and dividend policy. Relevant information is circulated to the Directors in advance of meetings. Monthly results and variances from plans and forecasts are reported to the Board.
- 2.4 The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.
- 2.5 The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:
 - 2.5.1 Close management of day-to-day activities of the Group by the executive directors
 - 2.5.2 An organisational structure with defined levels of responsibility, which promotes efficient and commercial decision-making while minimising risks
 - 2.5.3 Annual budgeting process which is approved and periodically reviewed by the Board
 - 2.5.4 Detailed monthly reporting of performance against budget
 - 2.5.5 Central control over key areas such as capital expenditure and banking facilities
- 2.6 There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover financial performance, cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

1. Board composition

- 1.1 The Board comprises the Non-Executive Chairman, two Executive Directors and two Non-Executive Directors. The Board considers, after careful review, that the Non-Executive Directors bring an independent judgement to bear.
- 1.2 The biographies of the board members can be found on the Company's website below:
<http://georgianmining.com/team/>
- 1.3 The Board is satisfied that it has a suitable balance between independence and knowledge of the Group and its operations to discharge its duties and responsibilities effectively. The Board receives periodic updates from the management team through minutes of executive meetings and weekly reporting. All directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.
- 1.4 All directors are expected to devote the necessary time commitments required by their position and are expected to attend at least four Board meetings each year. The Board meets at least 4 times per annum however, the Board meets more frequently than this on an ad hoc basis. The Audit Committee is scheduled to meet at least 2 times a year but may meet more frequently regarding the Company's audit or on risk management issues. The Remuneration Committee is scheduled to meet at least once a year. The Company will report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. This information, as well as individual attendance of each of the directors, is disclosed in the Company's Annual Report and Accounts. Formal agendas, papers and reports are sent to the directors in a timely manner, prior to the Board meetings.
- 1.5 Membership of the Board, its activities, performance and composition are subject to periodic review.

2. Conflicts of interest

- 2.1 The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to, and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

1. Suitability

- 1.1 The Board guides and monitors the business and affairs of the Company on behalf of the shareholders to whom they are accountable.
- 1.2 The Board is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines.
- 1.3 The Company complies with the QCA Code and full biographical details of the Directors and their skills and experience can be found at:

<http://georgianmining.com/team/>

2. Appointment, removal & re-election

- 2.1 The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.
- 2.2 There is no separate nomination committee. The Board considers that the current size and level of activities of the Company are not of a sufficient level to justify having a nomination committee. However, this will be kept under regular review.

3. Independent advice

- 3.1 All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company's legal advisers.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

1. Appraisal

- 1.1 The Chairman assesses the individual contributions of each member of the Board to ensure that:
 - 1.1.1 their contribution is relevant and effective;
 - 1.1.2 they are committed; and
 - 1.1.3 where relevant, they have maintained their independence.
- 1.2 Over the next 12 months the Board will review its performance as a unit to ensure members of the Board collectively function in an efficient and productive manner
- 1.3 The evaluation of the Board shall then be carried out annually and on a three-yearly cycle the evaluations may be facilitated by an independent evaluator. The internal reviews will generally include a questionnaire completed by each Board member. The Chairman will typically take leadership of this process and allow for feedback from other Board members about their performance. The Chairman will collate feedback in a report and facilitate discussion on its contents.
- 1.4 The Board review will entail, inter alia:
 - 1.4.1 Board's mission and goals;
 - 1.4.2 Board composition and effectiveness;
 - 1.4.3 Performance against strategic plan;
 - 1.4.4 Board's protocols and processes;
 - 1.4.5 Adherence to the code of conduct;
 - 1.4.6 Relationships with stakeholders; and
 - 1.4.7 Continuous professional learning of Board members.
- 1.5 The Remuneration Committee will compare the performance of the Board with the requirements of its charter, the Company vision and KPI's.
- 1.6 Succession planning is considered by the Board as a whole. The Board will annually review and make recommendations relating to talent management and succession planning for the Board and the CEO.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

1. Code of conduct

- 1.1 It is the Board's view that the Company's corporate culture is consistent with its objectives, strategy and business model. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.
- 1.2 The Board has adopted a code of conduct which provides a framework for ethical decision-making and actions across the Group. The code of conduct reiterates the Group's commitment to integrity and fair dealing in its business affairs and its duty of care to all employees, contractors and stakeholders.
- 1.3 Each Board members adherence to the Group's code of conduct is assessed as part of the annual Board review & appraisal.

2. Anti-corruption and bribery

- 2.1 The Board has adopted an anti-corruption and bribery policy to further ensure honest and ethical conduct of employees. The Company has a zero-tolerance approach to bribery and corruption.
- 2.2 The Company Secretary is responsible for monitoring compliance with and maintaining the anti-corruption and bribery policy.
- 2.3 The Company also provides periodic training to employees to ensure they are aware of their responsibilities in relation to bribery and corruption.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

1. Board programme

- 1.1 The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Company in all matters except those that are reserved for specific shareholder approval.
- 1.2 The Board sets direction for the Company through a formal schedule of matters reserved for its decision.
- 1.3 The Board meets at least four times each year and maintains regular dialogue between Board members, in particular between the CEO and the non-executive Board members.
- 1.4 Prior to the start of each financial year, a schedule of dates for that year's Board meetings is compiled. This may be supplemented by additional meetings as and when required.
- 1.5 The Board and its Committees receive appropriate and timely information prior to each meeting, with a formal agenda being produced for each meeting, and Board and Committee papers distributed several days before meetings take place.
- 1.6 Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's executive management team.

2. Roles & responsibilities

- 2.1 There is a clear division of responsibility at the head of the Company.
- 2.2 The Chairman is responsible for:
 - 2.2.1 running the business of the Board;
 - 2.2.2 setting the agenda for Board meetings;
 - 2.2.3 ensuring appropriate strategic focus and direction;
 - 2.2.4 facilitating effective contribution from all Directors; and
 - 2.2.5 promoting constructive and respectful relations between the Board and management.
- 2.3 The CEO is responsible for
 - 2.3.1 proposing the strategic focus to the Board;
 - 2.3.2 implementing strategy once it has been approved by the Board;
 - 2.3.3 overseeing the management of the Company through the executive management team; and
 - 2.3.4 where proposed transactions, commitments or arrangements exceed the thresholds set by the Board to refer the matter to the Board for its consideration, review and approval.
- 2.4 The Board is supported by the Audit, Remuneration and AIM Compliance committees. Each

committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The details of each of the committees are available on the Company's website,

<http://www.georgianmining.com/investors/corporate-governance/>

- 2.5 As the Group grows and develops the Board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Group.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

1. Communication

- 1.1 The Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position.
- 1.2 The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting ('AGM') and one-to-one meetings with large existing or potential new shareholders.
- 1.3 The Company announces significant developments which are disseminated via various outlets including, the London Stock Exchange's Regulatory News Service (RNS).
- 1.4 A range of corporate information (including all Company announcements and presentations, as well as results of AGM) is also available to shareholders, investors and the public on the Company's corporate website, www.georgianmining.com
- 1.5 The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.