

Southern Gold Limited Anti - Bribery and Corruption Policy, 2022

The Company (Southern Gold Limited and its subsidiaries) is committed to conducting its business fairly, honestly and transparently, in accordance with all applicable laws and regulations in the jurisdictions in which it operates and to the highest ethical standards.

The Company prohibits bribery and corruption in all business dealings. Bribery and corruption are morally wrong and if undertaken will most likely damage the Company's and individual reputations.

Bribery is a criminal offence and any corrupt act exposes the Company and its employees to the risk of prosecution, fines and imprisonment or both.

PURPOSE

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

POLICY

The Company will apply a "zero tolerance" approach to acts of bribery and corruption by any of its employees, contractors, consultants. Responsibility for adherence to this policy rests with all employees of the Company, with executive management responsible for ensuring dissemination of the policy to their respective managers, supervisors, employees, contractors and consultants, with a focus on new employee's, contractor and consultants to the Company.

BRIBERY

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. Bribes can take on many different shapes and forms, but typically there will be a "quid pro quo" – meaning that both parties, and a party's designate, will or may benefit.

A bribe could be:

- the direct or indirect promise, offering, or authorisation, of anything of value (whether the value is material or not); or
- the offer or receipt of any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting; or
- designed to exert improper influence.

CORRUPTION

Corruption is the misuse of office or power or influence for private gain.

In the eyes of the law, bribery and corruption can be committed by:

- a director, officer or employee; or
 - any person acting on behalf of another; or
 - organisations which authorise, permit or facilitate others to carry out such acts.
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People who are likely to be exposed to bribery or corrupt conduct are generally those who are involved in some aspect of the regulation of the Company, for example the handling of administrative tasks such as licences, permitting, customs, taxes or are persons wanting to obtain, retain or direct business with the Company such as purchasing goods and services or tending and contracting for work.

BRIBERY AND CORRUPTION LAWS AND ENFORCEMENT

Bribery is a criminal offence and penalties can be severe for both the Company and individual employees. Bribing or attempting to bribe a foreign public official is a serious crime. Australian companies or individuals that bribe an official in a foreign country can be prosecuted under Australian law and the laws of foreign countries.

In February 2010, penalties for bribery offences in the Australian Criminal Code Act 1995 were increased substantially. The maximum penalty for an individual is 10 years imprisonment and/or a fine of \$1.7 million. The maximum penalty for a company can be a fine issued in penalty units or it can be a proportional penalty, calculated with regard to the value of benefits obtained from bribery or the annual turnover of the company. If the value of benefits obtained through bribery can be ascertained, the penalty is \$17 million or three times the value of benefits obtained, whichever is greater. If the value of benefits obtained through bribery cannot be ascertained, the penalty for a Company is \$17 million or 10% of the 'annual turnover' of the body corporate, whichever is greater.

BRIBERY AND CORRUPTION PREVENTION

Risk Assessment

Executive management is responsible for assessing the vulnerability of sections of the business under its direct management to bribery and corruption risks. Where bribery and corruption risks are identified it is the responsibility of executive management to ensure that the risks be managed in line with the Company's risk management framework.

Accurate books of account and record keeping

Executive management must ensure that books, records and overall financial reporting be accurate and transparent. That is, they must accurately reflect each and all underlying transactions.

Effective Monitoring and Control

Executive management must take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This must include education and training of employees

Key Risk Areas for Bribery and Corruption

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they:

- fall within reasonable bounds of value and occurrence as defined;
- do not influence, or are not perceived to influence, objective business judgment.

The Company employees and staff must not accept gifts or entertainment where to do so might influence or perceive to influence objective business judgment.

How to Evaluate what is 'Acceptable'

First each person must take a step back and ask the following when giving or receiving any gift, entertainment or hospitality:

What is the intent – is it to build a relationship or is it something else?

How would this look if these details were reported on the front of a newspaper?

What if the situation were to be reversed – would there be a double standard?

If you find it difficult to positively answer one of the above questions, there is a risk involved with the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage the Company's reputation and business. The action could well be unlawful. Although no two situations are the same, the following guidance should be considered.

Never Acceptable

Circumstances which are never permissible include examples that involve:

- personal quid pro quo's (a benefit or advantage offered to an individual for something in return);
- personal gifts in the form of cash/ or cash equivalent vouchers: or
- making incomplete, false or inaccurate entries in the Company books and records.

Sometimes Acceptable

Activities that may be acceptable depending upon the particular jurisdiction and the particular person that the Company does do business with include:

- modest or occasional meals, refreshments etc.;
- occasional attendance at ordinary sports, functions and other cultural events;
- gifts of nominal value, such as pens, or low value promotional items.

Support for Communities, Government and Non-Government Organisations

The Company, via a range of initiatives aims to make a positive contribution to communities and host governments in the locations that it operates.

Support offered by the Company to local communities, government and non-government organisations will often take the form of cash grants/donations for the purpose of infrastructure improvement, capacity building, education and/or health initiatives.

To ensure that Company support does not breach, or is not perceived to breach this Policy, it is the responsibility of executive management to ensure that any support provided by the Company is adequately documented. Adequate documentation will typically take the form of a written request from an organisation or group, a corresponding formal written reply from the Company and a formal written acknowledgement of receipt of any contribution made by the Company. Importantly, the provision of any Company support should be fully transparent and appropriately disclosed by both the recipient organisation or group and the Company.

Disclosure may take the form of local media acknowledgement, a formal ceremony (such as "handing over ceremony"), and/or other public acknowledgement (such as advertising the Company contribution, displaying the Company logo etc.), and evidence of such expose (in

the form of copies of media articles, pictures of ceremony's etc.) should be obtained and retained by the Company to evidence the support provided.

Determining Acceptable Value

The Company Board has determined that an acceptable value for gifts, meals and entertainment not to exceed A\$500. And any single contribution to a Community, Government or Non-Government organisation in excess of A\$1,000 must be approved by an Executive Director, with any contribution in excess of A\$10,000 to be approved by the Company's Board.

How to Raise a Concern

Every Director, officer, employee, consultant and contractor to the Company has a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with The Company business. The Company is absolutely committed to ensuring that all Directors, officers, employees, contractors and consultants have a safe, reliable and confidential way of reporting any suspicious activity.

Any issue/concern in relation to bribery and/or corruption should in the first instance be reported to respective management, or to the Company Secretary. If for some reason it is not possible to report matters to management or the Company Secretary, then the issue or concern then it should be reported the Chairman of the Board of Directors.

In the event that an incident of bribery, corruption, or wrongdoing is reported, The Company will act as soon as possible to investigate and evaluate the situation. In addition to any internal procedures, this includes the referral to appropriate government enforcement agencies.
