



Corporate Governance Statement

NQ Minerals PLC

June 2021

NQ MINERALS PLC

CORPORATE GOVERNANCE PRINCIPLES

NQ Minerals PLC (“NQ” or “Company”) has opted to adhere to the principles of the QCA Corporate Governance Code (“QCA Code”). NQ’s shares are admitted to trading on the Apex Segment of the Aquis Stock Exchange (“AQSE”).

This Corporate Governance Statement outlines our approach to corporate governance considering the QCA Code principles and justifies any departures from any of such principles.

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

The Company is an Australian-based mineral processing, exploration and mining company, focusing on projects where either past exploration work has established the presence of mineral occurrences or project and/or operating reconfiguration could result in near term mining and processing opportunities. Our mission is to rehabilitate the environment of former precious metal mining operations and sustainably extract minerals required to build a cleaner world.

The Company owns four projects – the Hellyer Gold Mine, the Beaconsfield Gold Mine, the Ukalunda Project and the Square Post Project and has an exclusivity option for the Barnes Hill Project.

The Company commenced base and precious metal processing and production in 2018 at the Hellyer Gold Mine in Tasmania. For the 12-month period ending December 2020, the Group produced approximately 1.15 dry metric tonnes (“dmt”) of tailings to produce concentrates containing, lead, zinc, gold and silver. Production throughput at Hellyer Gold Mine has, and continues to be, increased and the Directors believe that Hellyer Gold Mine will process 1.42 million dmt of tailing in 2021 and 1.48 million dmt of tailings in 2022. In addition, the Group also has a portfolio of other strategic assets focused on gold exploration in the Australian States of Tasmania and Queensland, which provides the Group with exposure to a pipeline of future development opportunities, in addition to any external business development opportunities that may arise.

Also, the Company is in the process of refinancing its existing debt. As the Company grows, and becomes more mature, the Company can seek finance options that are more suitable to its current development stage. In this sense, the Company secured a US\$55 million loan facility agreement through its subsidiary Hellyer with ING Bank N.V in December 2020. The purpose of this loan facility was to refinance existing project debt for the Hellyer Gold Mine. The ING Facility has a 6-year duration with scheduled monthly amortization repayments of principal commencing in August 2021 and continuing until the final maturity date. This

agreement will provide the Company with the necessary long-term funding for it to consolidate the activities of the Hellyer Gold Mine and deliver an added value for the Company's shareholders in the long run.

The Company's business model allows it to explore mining projects in an efficient and sustainable manner, generating consistent and long-term results to its shareholders.

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

The Company understands and values the importance of knowing the needs and expectations of its shareholder base. In this sense, the Company has adopted an open communication policy with its investors, in which, in addition to the general investor e-mail (investors@nqminerals.com), the Company has included, on its website, the contact information (e-mail and telephone) of the Chairman, enabling direct access to him.

This policy allows shareholders to have frequent contact with the Board and the Chairman, enabling the Company to understand and meet the needs of the shareholders during the whole year rather than only at the Annual General Shareholders Meetings.

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

The Company's priority is to act as a responsible mining company, from management practices to health and safety standards to its stewardship of the environment. The Company understands that its business activities have an influence on the people who work in its operations, their environment, and on their communities. The Company's growth and success depends on the long-term economic, social and environmental sustainability of each of the communities in which it works. The Company is committed to maintaining the highest health and safety standards in its mines and development projects.

Furthermore, the Company focuses on the rehabilitation of the environment of former precious metal mining operations and sustainably extract minerals required to build a cleaner world, through the application of the following processes: (i) environmental rehabilitation; (ii) sustainable extraction; and (iii) exploration of clean energy minerals.

The Company puts its beliefs in action through various measures such as: (i) the majority of its on-site electricity is from renewable sources; (ii) 100% of its resource revenues are currently from environmental rehabilitation; (iii) it has adopted the World Gold Council's ESG standards for its gold extraction; and (iv) its remaining mineral exploration and extraction is focused on resources for clean energy and ESG delivery.

The Board constantly monitors the performance and impacts of its projects through constant consultation with local and regional government agencies tasked with overseeing our operations. There are regular

reviews undertaken by the government authorities and recommendations for action are taken seriously and acted on.

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

The Company understands that effectively identifying and managing the relevant risks to its business as a whole is key for its success and growing as a responsible company. The Company's Board and senior management are responsible for identifying and managing the risks to which it is exposed and the Company's Audit Committee, which meets at least two times a year, is responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

At the operations level, the Company assesses risks on a weekly basis at weekly site risk assessment meetings. Risks are identified, reported on and acted on and a risks register is kept on site. The meetings are attended by the senior management of the operations and consultants tasked with assisting management on risk assessment. The Company's strategy upon identifying potential risks is to determine the severity of the risk, the extent of the risk and the necessary actions to mitigate such risk to acceptable levels.

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

The Board provides leadership within a framework of prudent and effective controls. The Board has established the corporate governance framework of the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

The Board meets on quarterly basis and holds additional meetings as and when required. In the past 12 months, the Board met 8 times. Materials necessary for appropriate discussions and decision-making regarding the matters to be discussed are distributed prior to the respective meeting, to all board members.

The Board currently comprises a Non-Executive Chairman, three Non-Executive Directors and one Executive Director (who is the Interim CEO and full-time CFO), of which 3 are independent directors. The Board is currently looking to appoint 1 or 2 additional executive directors.

The Company NQ can assure a balanced team structure under the values of transparency and independency, taking them as key values for the well-functioning of the board.

NQ has set up an Audit Committee which is chaired by David Lenigas. The Audit Committee meets at least two times a year and is responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorization, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Given the Company's current size, it currently does not have a remuneration committee or a nomination committee established and the appointments to such committees will be revisited in the future along with the incorporation of terms of reference for them.

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

The Chairman is satisfied that the Board has sufficient up-to-date relevant experience and the right balance of skills to undertake its duties for a mining and exploration company. The board members hold extensive experience in finance, economics, engineering, geology and mining. Biographies of the directors can be found on the Company's website at the following link: <https://nqminerals.com/management/>

The composition of the board is periodically revised to ensure independence, balance of skillsets, background and diversity.

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

The Board performance review is currently led by the Chairman who, on an annual basis, reviews the performance of each director and holds individual meetings with each of them at the end of the financial year. The Board intends to upgrade its performance review and will consider the appointment of an independent firm to facilitate the review of not only each individual director, but also of the board as a whole. There are no current independent evaluations of the board being undertaken at present.

As mentioned above, the composition of the board is periodically revised to ensure independence, balance of skillsets, background and diversity.

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

The Company understands the importance of developing a corporate, transparent culture with key values based on the ethics that are expected to ensure its corporate governance policies and principles.

The Board looks to lead by example in terms of looking after the best interests of its staff, customers, suppliers, shareholders and local communities.

The Board not only sets expectations for the business but also works towards ensuring that strong values are set and carried out by the directors across the business. A strong corporate culture is paramount to the success of a business and the board strives to ensure that the objectives of the business, the principles and risks are underpinned by values of good governance that are fed down throughout the organization. As outlined in the items above, ESG principals are part of the Company's core mission.

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

The Company continually seeks to improve its governance framework, by applying a clear policy and road map to ensure the Company has in place procedures and policies to manage its environmental, social and corporate governance responsibilities and, established clear goals that minimize the impact of its operations on all stakeholders and the environment.

The Chairman leads the Board and Company's approach to key areas such as governance, corporate culture and risk appetite. The Chairman and CEO are the main point of contact for shareholders and other stakeholder groups. The Non-Executive directors provide independence, in addition to the oversight and scrutiny of the executive directors.

The Audit Committee is responsible for liaising with the auditors, challenging their work and any conclusions drawn by them in their work and reporting back findings as well as negotiating their fee.

The Company's secretarial functions are performed by a professional firm (PKF Littlejohn Corporate Services Limited), ensuring that this area of the company is dealt with professionally.

The Board understands that its current governance structures and processes are adequate for a company of NQ's size and complexity, and capacity, and its appetite for tolerance for risk, provided that such adequacy is constantly reassessed.

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

The Company communicates with shareholders through its regular RNS announcements, its Annual General Meetings and Annual and Interim Reports. The Company's website contains information about the Company's business activities and gives access to the Company's previous reports, General Meeting notices, and its constitutional documents.

Additionally, the Company's website provides a general investor e-mail (investors@nqminerals.com), as well as the contact information (e-mail and telephone) of the Chairman, enabling direct access to him and allowing shareholders to have frequent contact with the Board and the Chairman.