

Corporate governance statement

01

Corporate governance (NUES point 1)

The Company is required to report on corporate governance by section 3-3b of the Norwegian Accounting Act and by the Norwegian Code of Practice for Corporate Governance, ref. ongoing obligations for listed companies point 7. The Norwegian Accounting Act is available at www.lovddata.no. The Norwegian Code of Practice for Corporate Governance, last revised 30 October 2014, is available at www.nues.no.

The Board of the Company is actively involved in good corporate governance and will ensure at all times that the Company complies with the requirements of section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. This is done by ensuring that good corporate governance is an integral part of the decision making process in all matters discussed by the Board. The principles for good corporate governance are also assessed and discussed by the Board annually.

Good corporate governance is characterised by open and responsible communication and collaboration among the Company's owners, board and management, in both a short-term and a long-term value creation perspective.

Our shareholders, employees, customers, suppliers, financial partners and the public authorities shall be sure of and be able to rely on the Company being governed in a satisfactory manner and that the Board is sufficiently impartial in the exercise of its responsibilities.

Corporate governance is about questions and principles connected with the distribution of roles between governing units, as well as the areas of responsibility and authority that are associated with these. Sufficient emphasis must be placed on formulating these roles and functions in order to ensure good control while at the same time encouraging innovation

and creativity. All this must be achieved with the objective of creating value for the shareholders.

We place sufficient emphasis on the fact that the Company operates in an international mineral industry in which the possibility of making rapid and precise decisions, as well as turning these into action, represents a significant competitive advantage.

This document, which has been discussed and adopted by the Board, presents the main principles and guidelines for corporate governance at the Company.

02

Values and ethical guidelines

(NUES point 2)

The Company is an international mineral exploration Company that focuses on exploration activities and the development of industrial metal and mineral deposits. The Company's head office is located in Oslo. Scandinavian ethical, social and environmental norms form the basis for our values - integrity, responsibility, understanding and commitment. The Company's activities are in turn based on our values: Exploration and development is done in a responsible manner. The Company's objective is to increase values for the shareholders and other interested parties, while continuing to seek new exploration and recovery projects. The Company places emphasis on performing its activities within the framework of relevant legislation and regulations. We have a specific focus on health and safety and the environment and on safeguarding local culture, knowledge and expertise.

The Company has ethical guidelines that describe the Company's principles, values, standards and rules for behaviour and govern the Company's decisions, procedures and systems in such a way that they contribute to the well-being of our main interests and respect the rights of all those affected by our activities.

Regarding the Company's social responsibility, please refer to the annual report for 2016, where this is covered in detail in several sections.

03

Business (NUES point 2)

The Company' business is defined in article 3 of the Company's articles of association. "The Company is engaged in trade, production, and other economic activity, hereunder participation in Norwegian and international companies."

The Company' articles of association are available on our website. The website will be updated on an ongoing basis with relevant information about the Company's activities and development.

The current strategy of the Company is searching for undervalued assets with cash flow or relatively short term to cash flow, to invest in with or without partners. In addition the strategy include realisation of the Mindoro Nickel project.

04

Equity and dividends (NUES point 3)

The Company' equity shall always reflect a proper capital structure. This is further adapted to the Company's strategy and goals for future growth and investment opportunities. The Company seeks at all times to maintain a capital structure suited to the Company's risk profile and providing sufficient financial flexibility to manage unforeseen situations.

It is the Company's goal to give shareholders a competitive return on invested capital over time. This return will be achieved primarily through rising share price and dividends. Given the Company' requirement for capital for on going exploration and development projects, it is unlikely that the Company will pay dividend on a regular basis, although this

situation may change if one or more projects are realised for sale or a partnership is entered into.

The shareholders can give the Board the authority to raise capital or buy the Company's own shares at the annual General Meeting.

05

Equal treatment of shareholders and transactions with close associates

(NUES point 4)

The Company has only one class of share and all shares have the same rights in the Company. In situations where normal preferential rights shall be deviated from, the Company's board is proposed to prepare grounds for such a decision in accordance with the Norwegian Code of Practice for Corporate Governance and shall present these to the General Meeting. This will in turn be based on the joint best interests of the Company and the shareholders.

All the the Company' transactions in its own shares are performed on the stock exchange or otherwise at stock exchange prices. In the case of non-insignificant transactions between the Company and shareholders, board members and senior management or close associates of these, the Board will ensure that a valuation is performed by an independent third party. This does not apply if the General Meeting shall discuss the matter in accordance with the rules of the Public Limited Company Act. An independent valuation will also be obtained in the case of transactions between companies in the same group where one of the companies involved in the transaction has minority interests.

The Company has guidelines to ensure that board members and senior management advise the Board if they have a direct or indirect significant interest in a transaction or agreement being entered into by the Company.

The Company has established an option program for board members and employees. (See point 12 below.)

06

Freely negotiable shares (NUES point 5)

All shares in the Company are freely negotiable and the Company's articles of association do not contain any form of restriction on negotiability.

07

General meetings

(NUES point 6)

The Board of the Company will facilitate conditions for the shareholders to be able to exercise their rights by participating in the Company's general meetings and for the general meetings to be an effective meeting place for shareholders and the Board.

This means that:

- the notice for the general meeting shall be sent to shareholders no later than three weeks before the general meeting is held;
- all documentation for the general meeting shall be made available on the Company's web-site no later than three weeks before the general meeting;
- these documents shall be sufficiently detailed as to allow shareholders to come to a decision on all items to be discussed;
- in order to register for participation at the general meeting the shareholder must be registered in the share holders register five working days before the general meeting;
- shareholders who cannot attend themselves shall be given the opportunity to vote by proxy; and

- the chairman of the Board, the nominating committee and the auditor will be represented at the general meeting.

The General Meeting elects the members of the Board and the Company's external auditor. The annual General Meeting is held no later than 30 June each year. The notice of the General Meeting shall inform of the procedures shareholders must follow in order to participate and vote at the general meeting.

08

Nominating committee (NUES point 7)

Article 7 of the Company's articles of association lays down that the Company shall have a nominating committee.

The nominating committee shall consist of three members, elected by the General Meeting for a period of up to two years. The nominating committee shall be composed in such a way as to safeguard the shareholders' interests. The committee members shall be independent of the board and of senior management. No more than one member of the nominating committee can be a board member who should not then stand for re-election. The general manager and other senior managers shall not be members of the committee. Since the general meeting in 2016 two of the three members of the Company's nomination committee have withdrawn from the committee. Accordingly, the Nomination Committee is currently not in compliance with the articles of association. Two new members will be proposed for election at the general meeting in 2017.

The nominating committee proposes candidates for the Company's board and remuneration for board members. The nominating committee will give grounds for its proposals. The Company informs who the members of the nominating committee are.

09

The board: composition and independence

(NUES point 8)

The Company is not required to have a corporate assembly. The board members are elected at the general meeting. The decision is taken by a simple majority.

Board members are elected for a period of two years and may be re-elected.

The Company's articles of association state that the Board shall consist of minimum three and maximum eight members. The Board is composed in such a way that it can safeguard the shareholders' interests, as well as the Company's need for competence, capacity and diversity. Attention has been paid to ensuring that the Board shall function as a collegiate body.

The Board of the Company currently consists of three members. Information about each of the board members is available on the Company' website.

The members of the Board are issued options in the Company (see point 12 below) and are encouraged to own shares.

The Company has routines for handling situations where board members and senior management control a significant financial interest that coincides with the Company's interests. Such circumstances will immediately be reported to the Company's board and presented in the Company's annual report. This does not apply to situations where board members or senior managers have a financial interest in the Company.

10

The work of the board (NUES point 9)

The Company's board is responsible for monitoring the Company's senior managers and the Company's strategic development and for ensuring that

the interests of shareholders and other interested parties are safeguarded in a satisfactory manner.

The Company's board should determine an annual plan for its work, with particular emphasis on goals, strategy and implementation.

The Company's board shall:

- ensure that the Company is appropriately organised and that the Company's activities are carried out in accordance with prevailing legislation and regulations, the Company's objectives and articles of association and ethical guidelines, approve and monitor major business and financial strategies and their implementation and further approve key agreements and transactions
- appoint a general manager and constantly evaluate his or her performance
- establish a policy for remuneration to senior managers
- ensure that the Company has good internal and external control routines and appropriate systems for risk management

The Company has established a clear distribution of responsibilities and duties between the Company's board and senior management. The chair of the Board is responsible for ensuring that the Company's board performs its tasks in an effective and correct manner.

The general manager is responsible for the Company's operations. The Company's board has laid down instructions for the general manager and these instructions define which decisions require the Board's approval.

The Company's board shall lead the Company's strategic planning. The Company has determined specific instructions (board instructions) and detailed rules for the Board's work and relevant procedures. Board meetings may take the form of physical or telephone meetings.

Although the Company is exempt from the requirement to have an audit committee, the Company's board has established an audit committee. The audit committee consists of two shareholder-elected board members. This

committee shall improve the Company's quality assurance of financial reporting and monitor the Company's internal control and risk management systems. The committee will also be in contact with the Company's elected auditor regarding auditing the Company's annual accounts, as well as monitoring the auditing Company's impartiality.

The Company's board will perform an annual evaluation of its own activities and competence.

The Company's spokesperson is the chairman or the general manager.

11

Risk management and internal control

(NUES point 10)

The Company's board ensures that the Company has good internal control and appropriate systems for risk management in relation to the nature and extent of the Company's activities. The internal control and systems also embrace the Company's basic values and ethical guidelines.

The framework for internal control includes routines to ensure that risks associated with the Company's day-to-day operations are identified, analysed and managed routines to review the Company's commercial risk and operational risk routines for internal control of various processes, including compliance with guidelines, routines, instructions and authorisations.

The Board of the Company has through its meetings an overview of how risks develop in the Company, with a review of financial developments and administrative conditions. In the Company's annual report, the Board reports on the main trends in the Company's systems for internal control and risk management and how these are linked to the Company's financial reporting.

Remuneration of the board (NUES point 11)

Remuneration to board members is determined by the General Meeting, based on the nominating committee's recommendations. The remuneration reflects the Board's responsibility, skills and time spent and the complexity of the Company.

The General Meeting 14 December 2016 elected granted the members of the board 182,578 share options each. Half of the options vested immediately, while the remaining options are vested monthly in equal tranches. The options will be fully vested on 14 December 2017. The options must be exercised three months prior to the Ordinary General Meeting in 2018 at the latest.

Members of the Company's board and/or companies with which they are associated should not take on specific assignments for the Company in addition to serving on the Board. If a board member does however take on such an assignment, this must be reported to the Board as a whole. Remuneration for such additional obligations shall be approved by the Board. All remuneration to board members is described in detail in notes to the Company accounts.

Currently the Company is utilizing the assistance of two of its Board members on a consultancy basis. The engagements are limited in time and financially. The Company is in a financially strained situation. The Board has during 2016 amended the Company's strategy and the Board members in question are highly qualified to implement the strategy. In the view of the Company it is in the Company's best interest to engage these Board members on a limited basis. Once the Company is financially stable and the strategy has been properly implemented the Company will find permanent solutions for the work required outside its Board of Directors.

Remuneration of the senior management (NUES point 12)

The Company's board has determined guidelines for remuneration to the general manager. This remuneration will be reviewed annually. The guidelines covering remuneration to the Company's general manager and senior management shall be presented to the shareholders at the General Meeting. The general manager is entitled to an annual bonus based on an assessment by the Company's board. This will in turn be based on the achievement of goals, as well as the Company's overall operating and financial results.

Currently the general manager of the Company is engaged on a temporary basis through a consultancy agreement. The former general manager ended his engagement at the end of 2016 and with a new strategy in progress the Board decided that it was in the best interest of the Company to ensure an intermediary solution and engage one of the Board members on a temporary basis.

The Company's option program and similar agreements shall be approved by the General Meeting before the agreements are introduced. A proposed agreement shall include information about distribution principles, the value of options, accounting consequences and possible dilution effects.

The Company's board also determines the framework for remuneration to the other members of the management group. On 14 December, the general meeting approved a share based incentive program for management. The general manager determines remuneration to senior management, in consultation with the Board.

Pay policy for the Company's senior management, information about remuneration, pension agreements and agreements on severance packages for the general manager and senior management are described in more detail in the notes.

Information and communications

(NUES point 13)

The Company's board has established guidelines for how the Company shall communicate and report financial and other information to shareholders, based on openness and with consideration of the requirement for equal treatment of all those involved in the securities market.

It is the Board's goal to provide information about the Company's activities on an ongoing basis to the Company's shareholders, the Oslo Stock Exchange, analysts and investors. This is done by publishing information and holding presentations.

The Company's financial calendar for the coming year will be published no later than 31 December in the current year. The financial calendar and other stock exchange-related information will be first published through the Oslo Stock Exchange news website www.newsweb.no, before the information is also released through news agencies and the Company's website.

All information that is communicated to the Company's shareholders shall be published on the Company's website at the same time as it is sent to shareholders.

The Company's board wishes to maintain a regular dialogue with shareholders. Contact information is published on the Company website.

Takeovers (NUES point 14)

The Company' articles of association do not include any active instruments designed to prevent or obstruct a bid to take over the Company's shares.

In any takeover process, the bidder, the Board of the Company and management, have an independent responsibility to help ensure that the shareholders of the Company receive equal treatment and that the activities of the target Company are not unduly disturbed. The Board has a specific responsibility for ensuring that shareholders have sufficient time and information to be able to come to a decision on the bid.

The Board shall not without specific grounds seek to prevent or impede anyone from putting forward a bid for the Company's business or shares. If a bid is presented for the Company's shares, the Company's board shall not use its authority to issue shares or take any other action for the purpose of hindering the process of the bid, unless this has been approved by the general meeting after the bid has become known.

If a bid for the Company's shares is presented, the Board shall issue a statement with its assessment of the bid and a recommendation of whether shareholders shall accept or not. If the Board finds that it cannot give the shareholders a recommendation of whether they should accept the bid or not, an explanation for this will be given

The Board's statement about the bid should indicate whether the assessment is unanimous, and if not on what grounds some board members have dissociated themselves from the board's statement.

The Board will consider whether to obtain an assessment from an independent expert. If any board member or senior manager or close associate or anyone who has recently held such a position is a bidder or has specific interest in the bid, the Board will obtain an independent assessment in any case. The same applies if the bidder is a major shareholder. The assessment will be attached to, repeated in or be referred to in the Board's statement.

Transactions that in reality mean the disposal of the business will be presented to the general meeting. If it is in the shareholders' interests, the board will, if appropriate, attempt to present a competing bid.

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Auditor (NUES point 15)

The Company's board and auditor shall have at least one meeting each year without the general manager or other members of senior management present. The auditor shall annually present to the Board the main items of a plan for completion of the auditing work. At least once a year, the auditor shall review the Company's internal control with the Board, including identifying weaknesses and suggestions for improvement.

The auditor shall attend board meetings where the annual accounts are discussed. In meetings, the auditor shall give a briefing on any significant changes in the Company's accounting principles, give an assessment of major accounting estimates and report all significant circumstances where there has been disagreement between the auditor and the Company's senior management.

The auditor receives notices of meetings of the audit committee with relevant documents and attends these meetings regularly.

The Company's auditor, Ernst & Young, was elected at the 2012 annual General Meeting. The Board will receive a written declaration from the auditor each year that the auditor still satisfies the requirements for independence.

In addition to the audit itself, the audit Company has from time to time provided assistance with accounts, as well as providing other services such as reporting services and tax advice. The Company's board will report on the remuneration paid to the auditor at the general meeting, including details of fees paid for the auditing work and any fees paid for other

specific assignments. The annual accounts also include a specific note about this information.

The Company's senior management has regular meetings with the auditor. Accounting principles, risk areas, internal control procedures and tax questions are discussed at these meetings.

The Board makes regular assessments of whether the auditor is performing the audit function in a satisfactory manner.

OUTLINE FROM BOARD OF DIRECTOR'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

For companies operating in the mining industry CSR is particularly important, as its activities potentially lead to changes which will affect many local parties. All main elements of the amendments to the Norwegian Accounting Act with regards to CSR reporting are relevant and will be reported on. These are: Human rights, working conditions and social issues, environment as well as anti-corruption.

That said it is also important to note that the Company does not have any active mining operations or production activities. Its activities are limited to exploration, discovery and development of mineral deposits. Therefore reporting requirements regarding implementation and results achieved are not particularly suited for the Company. Currently the Mindoro Nickel project in the Philippines is the Company's only project that is mature enough to meet substantial sustainability challenges and opportunities. We will therefore particularly refer to this project in the examples below.

01 HUMAN RIGHTS

The Company's activities depend on a license to operate. This license is often a partnership with national authorities. In addition to strictly following national rules and regulations, the Company also conducts its business in line with fundamental international rules including those defined in the United Nations Declaration of Human Rights and supports

the standards developed by the International Labour Organization. Any violations of basic human rights are totally unacceptable to the Company.

The license area of the Nickel project on Mindoro Island is part of the indigenous Mangyan ancestral lands. The Company has continuously conducted consultations and established a close relationship with these communities. In the Philippines, indigenous people's (IP) rights are regulated by national law, which is administrated and monitored by the National Commission for Indigenous People (NCIP). All activities in the Company's license areas are conducted in cooperation with the local tribes and the NCIP. The Company has for example been involved in surveying the local IP's land, and assisting the NCIP in securing these people formal titles to their ancestral land.

The Company aims to keep and deepen the good relations in this existing project. It also wants to use it as a model to proactively establish the same good relations early on in future projects in areas where human rights might be at stake.

02 WORKING CONDITIONS AND SOCIAL ISSUES

Health and safety is an indispensable component in all the Company's projects and activities. All hazards and risks to health and safety must be avoided. This is achieved by ongoing and proactive commitments to the health, safety and welfare of the Company's employees, service contractors and other associated personnel through timely provision of appropriate and effective training and advice, support and guidance on all health and safety matters.

The Company has a safety and health program for its Mindoro project with procedures for exploration, training, health control and services, provisions for personal protective equipment, emergency response and occupational safety, health and management.

Regarding social issues the Company facilitates positive and sustained economic effects of its projects for local communities and regions where it

is active. The economic effect a project has on the local communities is regarded as an important factor of the Company's activities.

The Company's CSR program seeks to empower local stakeholders, to be active partners in the development of their communities. Under the program, the Company implements strategies aimed at alleviating poverty and improving the standard of living through sustainable projects that harness safety, health and productivity, as well as strengthen self-reliance values.

Efforts include the use of local staff where possible and desirable. For example in the Mindoro mining project's exploration activities, Mangyan IP's are employed on an equal opportunity basis with other community stakeholders.

Mindoro Nickel is the Company's main project which is also mature enough to have a comprehensive community relations program. Current programs include five major fields: Education and scholarships; health, water and sanitation; environment and livelihood and capacity building. The community relations activities are both stipulated by regulatory requirements and partly on a voluntary basis.

Mindoro Nickel has a sustained scholarship program to qualified Mangyans in coordination with Mangyan associations (KMI and SADAKI). For the academic year 2015-2016, the Company has 8 IP scholars at the college level and, three at high school level. Five scholars in college will graduate in their respective fields expected for the school year 2016-2017.

Improvement of the local health care programs, include hospital and medical assistance to local residents especially Mangyan's from SADAKI and KMI. The Company maintains a resident Nurse to extend and assist primary health care services to Mangyan's which includes proper practice of sanitation and personal hygiene. Potable water systems have been established as part of the Company's community relations program. 18 community-managed water systems have been established and today over 2 000 households benefit from this program: 12 105 individuals can

receive 340 ltrs each per day. The Company has conducted semi annual water quality checks.

Company activities on environment includes multi-sectoral environmental monitoring, watershed characterization, water quality monitoring and flora and fauna (bio-diversity) monitoring.

The company maintains five nurseries both in Victoria and Sablayan, Mindoro provinces. This is in support of the Livelihood Enhancement Agro Forest (LEAF) project activities. Main concentration in our nurseries are propagation of rubber trees which is 90% of the total seedlings and other fruit bearing trees and herbal plants. We have a demo farm and plantation located in Sablayan planted with rubber, banana and coffee. The company distributed seedlings to localities in compliance of National Greening Program (NGP) of the government.

The Company conducts information and education campaign thru basic mining education and technical and geo-science presentations. The Company organizes local association and groups into one organization called ALASKA, as an Alliance for Development and Environment against Poverty. Further, activities are focused on preparation of project presentation and proposal for submission to government entities: DOLE (Department of Labor and Employment), DA (Department of Agriculture) and DOST (Department of Science and Technology) for technical project support and funding assistance.

The Company's ambition is to make sure that its projects generate sustained value locally even where the necessary actions are not stipulated by law. Regarding HSE the Company continues to aim for a zero accident rate in all of our operations. In Mindoro the Company wants to make sure all staff is provided with personnel protective equipment.

03 ENVIRONMENT

To uphold the Company's license to operate a sound environmental management is essential. As mentioned earlier the Company's activities are limited to discovery and development of mineral deposits which are in

turn to be exploited by mining companies. As a result it sees its environmental responsibility twofold: To minimize adverse environmental effects of its own activities and to design its projects in a way that allows for high standards of green mining in the exploitation phase.

The basic guiding principle for the Company's plans is that land use activities will be temporary and that land used will be returned in a state after operation that allows for sustainable future use.

For its direct activities the Company is firmly committed to the protection of the environment.

04 ANTI-CORRUPTION

The Company has zero tolerance for corruption and at all times conducts its business according to the relevant laws, while observing the highest ethical standards and with no compromise to its commitment to integrity. As some operations take place in regions where the perceived level of corruption is high, at times this can be a challenge for the Company's operation. However the Company has strict guidelines in place regarding such situations, and regularly trains its staff in the practical implementation. Guidelines how to handle for example receiving and giving gifts are in place and also include procedures and requirements for partners and suppliers.

The Company actively fights corruption in its businesses, and constantly monitors its conduct on all levels to avoid any exposure to unacceptable practices.

Approved by the Annual general meeting 9 June 2017.