
ECONOMIC, SOCIAL AND GOVERNANCE POLICY

Queen's Road Capital Ltd (the "Company") has adopted the following ESG Policy to govern its investment activities. The overall objectives of this ESG Policy is to promote sustainability performance in the Company's business relations with investees and suppliers in all jurisdictions in which the Company and its investees operate. This ESG Policy sets out, among other things, investment objectives and strategy based on the fundamental principles set out below.

1. SUSTAINABILITY IMPACT

Mining is the extraction of geological resources such as metals, industrial minerals and hydrocarbons such as coal, shale oil and oil sands which are often also mined.

The key ESG risks and impacts associated with mining and metals extraction include mining and minerals process, waste management, carbon emissions (both operational and product related), habitat alterations with impacts on biodiversity and ecosystem services, water intensive processing and other physical impacts including alterations to land forms and hydrology, as well as dust and noise generation. Potential social concerns include the displacement of communities and indigenous peoples, labour rights and living wage issues, conflict minerals involvement, occupational health and safety risks, human rights abuses associated with security at operating sites and a lack of accountability and transparency of mineral revenues in host countries and communities. Mining companies also face challenges regarding ethical business practices such as exposure to corruption risks.

2. INVESTMENT PRINCIPLES

The Company expects the mining companies in which it invests ("investees") and suppliers to operate in accordance with relevant international norms, as well as regional and national laws, regulations and permits. The Company expects its business partners to manage material sustainability issues in a systematic manner within the field of human rights, labour rights, climate, environment and business ethics. The Company will assess ESG risks prior to making any investment, having regard to the following principles:

- (a) avoiding involvement with companies:
 - (i) primarily engaged in thermal coal mining and metallurgical coal mining;
 - (ii) primarily engaged in oil and gas extraction, including oil, natural gas, shale oil and oil sands;
 - (iii) primarily engaged in ocean pollution (such as deep sea tailings) or sea bed mineral extraction; or

- (iv) having their principal listing on a Brazilian stock exchange;
- (b) having zero tolerance for deliberate serious offsite environmental impacts, involvement in conflict minerals, child labour, extractive activity in Ramsar, World Heritage and critical habitat areas, and bribery & corruption; and

- (c) assessing companies in the metals and mining sector, and Investees, to determine whether they:
 - (i) identify material sustainability aspects and adopt relevant policies, objectives and targets;
 - (ii) undertake community consultation early in project life cycles in order to prevent negative impact and obtain social license to operate;
 - (iii) respect customary land tenure and usage rights of indigenous people by applying free, prior and informed consent principles;
 - (iv) prevent discrimination and improve equal treatment of men and women;
 - (v) minimize impacts on land, water, air and biodiversity by implementing careful physical planning, and best practice waste management and emissions control systems;
 - (vi) have in place robust emergency response plans for significant identified safety, environmental and community related incidents or crises;
 - (vii) ensure proper decommissioning and ecosystem rehabilitation after commercial activities have ceased, for all extractive industry projects;
 - (viii) implement a grievance mechanism process and processes for the remediation of human and environmental impacts;
 - (ix) report transparently on payments at consistent with the extractive industries transparency initiative;
 - (x) conduct due diligence on supplier management of environmental, social and business ethics and integrate sustainability criteria within procurement processes and verify compliance with their standards on a regular basis; and
 - (xi) report regularly on material sustainability issues in line with accepted standards such as the GRI Standards.

3. EFFECTIVE DATE

This Investment Policy was last reviewed, revised, approved and adopted by the Board effective on May 7, 2020.