

### **NGEx's Compliance with the Swedish Corporate Governance Code**

NGEx Resources Inc. ("NGEx" or the "Company") is listed on the Toronto Stock Exchange ("TSX") and the Nasdaq Stockholm Exchange. The following sets out the rules of the Swedish Corporate Governance Code (the "Swedish Code") and the status of NGEx's compliance with such rules. NGEx is not required to comply with the Swedish Code as it is a Canadian corporation and its primary listing is on the TSX. The below compliance table is being provided in accordance with Part III of the Swedish Code which requires a foreign company, that does not apply the Swedish Code, to report and explain the important aspects in which the company's conduct deviates from the Swedish Code. A comprehensive report on NGEx's corporate governance practices is set out each year in NGEx's Management Proxy Circular which is distributed to shareholders prior to its Annual General meeting ("NGEx's Proxy Circular").

<b>Swedish Code Rule No.</b>	<b>Text of Swedish Code</b>	<b>Comply (Yes/No/Partially/Substantially)</b>	<b>Explanation</b> (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as "Canadian Law and Rules")
1.1	As soon as the date and venue of the shareholders' meeting have been decided, and in the case of annual general meetings no later than in conjunction with the third quarter report, the information is to be posted on the company's website. This information is also to include the closing date for matters to be submitted by shareholders for inclusion in the notice of meeting.	Partially	NGEx holds an annual shareholder within the time requirements set by Canadian Law and Rules and by its Articles of Incorporation ("Articles"). Meeting materials are posted on NGE x's website for the annual shareholder meeting generally at least 30 days prior to the meeting.
1.2	The company chair and as many members of the board as are required for a quorum are to be present at shareholders' meetings. The chief executive officer is to attend. At least one member of the Company's nomination committee, at least one of the company's auditors and, if possible, each member of the board are to be present at the Annual General Meeting ("AGM").	Partially	Quorum requirements for shareholder meetings are set out in the Company's Articles and director's attendance is not required. The President & CEO typically attends and acts as chair of the AGM. There is also no requirement for a nomination committee member or for the Company's auditors to be present at the AGM under Canadian Law and Rules.
1.3	The Company's nomination committee is to propose a chair for the AGM. The proposal is to be presented in the notice of the meeting.	Partially	Pursuant to the Articles of the Company, the Chairman of the Board is entitled to act as chair of the AGM in the first instance, and if such individual is absent or unwilling to act, then the Chief Executive Officer, President or a vice president who is a shareholder.
1.4	If the ownership structure warrants it, and it is financially feasible, the company is to offer simultaneous interpretation into other relevant languages, as well as translation of all or parts of the meeting documentation. The same applies to the minutes of the meeting.	No	Meetings are held and the minutes are drafted in English.
1.5	A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify the minutes of the shareholders' meeting.	No	There is no requirement under Canadian Law and Rules for a shareholder, or a representative of a shareholder to verify the minutes of a shareholders' meeting.
1.6	The minutes of the latest annual general meeting and any subsequent extraordinary shareholders' meetings are to be posted on the company's website. It is not necessary to publish the register of voters from the meeting or any attachments containing such information.	No	Minutes are not required to be posted on the Company's website under Canadian Law and Rules. However, the results of matters voted on at meetings of shareholders are announced by the Company by way of press release and notices filed under applicable Canadian securities law.

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	The minutes are also to be translated from Swedish into any other language warranted by the ownership structure, providing this is financially feasible.		
2.1	The Company is to have a nomination committee. The nomination committee is to propose candidates for the post of chair and other members of the board, as well as fees and other remuneration to each member of the board. In its assessment of the board’s evaluation and in its proposals in accordance with rule 4.1, the nomination committee is to give particular consideration to the requirements regarding breadth and versatility on the board, as well as the requirement to strive for gender balance. The nomination committee is also to present proposals on the election and remuneration of the statutory auditor.	Substantially	The Company has three Board Committees, the Corporate Governance and Nomination Committee (“CG&N Committee”), the Compensation Committee and the Audit Committee. The nominees for board members are proposed and recommended to the Board by the CG&N Committee. In making its recommendations, the CG&N Committee considers the Board’s structure and composition, responsibilities, operations, effectiveness and contributions of individual board members. After taking into account the recommendations from the CG&N Committee, nominees for board members are recommended by the Board in NGE’s Proxy Circular. The Compensation Committee of the Board makes recommendations to the Board on matters of board remuneration. The Audit Committee of the Board makes recommendations to the Board as to the election and remuneration of the Company’s auditors.
2.2	The shareholders’ meeting is to appoint members of the nomination committee or to specify how they are to be appointed. This decision is to include procedures for replacing members of the nomination committee who leave before its work is concluded.	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.
2.3	The nomination committee is to have at least three members, one of whom is to be appointed committee chair. The majority of the members of the nomination committee are to be independent of the company and its executive management <sup>1</sup> . Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee. At least one member of the nomination committee is to be independent of the company’s largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company. <sup>2</sup>	Substantially	There are independence definitions under Canadian Law and Rules, which are consistent with the Swedish Code. The CG&N Committee is composed of 3 independent directors.
2.4	Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the company chair nor any other member of the board may chair the nomination committee. If more than one member of the board is on the nomination committee, no more	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.

<sup>1</sup> For assessment of independence with regard to the company and its management, see 4.4.

<sup>2</sup> For assessment of independence with regard to the company’s major shareholders, see 4.5.

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	than one of these may be dependent of a major shareholder in the company.		
2.5	The Company is to announce the names of members of the nomination committee on its website no later than six months before the annual general meeting. If any member has been appointed by a particular owner, that owner's name is to be stated. If any member leaves the committee, this information is to be announced. If a new member is appointed to the nominating committee, the corresponding information about the new members is to be provided. The website is also to provide information on how shareholders may submit recommendations to the nomination committee.	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.
2.6	<p>The nomination committee's proposals are to be presented in the notice of a shareholders' meeting where the elections of board members or auditors are to be held as well as on the company's website.</p> <p>When the notice of the shareholders' meeting is issued, the nomination committee is to issue a statement on the company's website explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board contained in Code rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1. If the outgoing chief executive officer is nominated for the post of chair, reasons for this proposal are also to be fully explained. The statement is also to include an account of how the nomination committee has conducted its work.</p> <p>The following information on candidates nominated for election or re-election to the board is to be posted on the company's website<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>• the candidate's year of birth, principal education and professional experience,</li> <li>• any work performed for the company and other significant professional commitments,</li> <li>• any holdings of shares and other financial instruments in the company owned by the candidate or candidate's related</li> </ul>	Substantially	Pursuant to Canadian Law and Rules, the Company provides substantively similar disclosure as required under the Swedish Code with respect to directors seeking election to the Board and each such members' involvement with Committees of the Board.

<sup>3</sup> If a board member is nominated by a party other than the nomination committee, the nominating party is to submit the required information to the company, including the nominating party's assessment of the nominee's independence with regard to the company, its management and major shareholders in the company.

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	<p>natural or legal persons,</p> <ul style="list-style-type: none"> <li>• whether the nomination committee, in accordance with Code rules 4.4 and 4.5, deems the candidate to be independent of the company and its executive management, as well as of major shareholders in the company. Where circumstances exist that may call this independence into question, the nomination committee is to justify its position regarding candidates' independence, the nomination committee is to justify its position regarding candidates' independence,</li> <li>• In the case of re-election, the year that the person was first elected to the board.</li> </ul>		
2.7	<p>At a shareholders' meeting where the election of board members or auditors is to be held, the nomination committee is to present and explain its proposals with regard to the requirements concerning composition of the board contained in rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained rule 4.1.</p>	No	<p>The Board's recommendations and further information relating to the nomination of directors is set out in NGEx's Proxy Circular.</p>
3.1	<p>The principal tasks of the board of directors include</p> <ul style="list-style-type: none"> <li>• establishing the overall operational goals and strategy of the company,</li> <li>• appointing, evaluating and, if necessary, dismissing the chief executive officer,</li> <li>• defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability.</li> <li>• ensuring that there is an appropriate system for follow-up and control of the company's operations and the risks to the company that are associated with its operations.</li> <li>• ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to the company's operations, as well as the application of internal guidelines, and</li> </ul>	Substantially	<p>The Board has a written mandate which covers substantially the same matters, and which is appended to NGEx's Proxy Circular.</p>

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	<ul style="list-style-type: none"> <li>ensuring that the company's external communications are characterised by openness, and that they are accurate, reliable and relevant.</li> </ul>		
3.2	The Board is to approve any significant assignments the chief executive officer has outside the company.	Yes	Pursuant to the chief executive officer's employment contract, the chief executive officer shall not engage in any other employment without the consent of the Board.
4.1	The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board.	Yes	The Board has adopted Guidelines for its composition to assist the CG&N Committee when recommending nominations for directors. Such guidelines require the Committee to seek diversity in perspectives. The Board has also implemented a Gender Diversity Policy which applies to the Board.
4.2	Deputies for directors elected by the shareholders' meeting are not to be appointed.	No	Under Canadian Law and Rules there is no concept of deputies for directors.
4.3	No more than one elected member of the board may be a member of the executive management of the company of a subsidiary <sup>4</sup> .	Yes	Currently, the Chief Executive Officer is the only member of the Board who is a member of executive management.
4.4	<p>The majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management.</p> <p>A director's independence is to be determined by a general assessment of all factors that may give cause to question the individual's independence and integrity with regard to the company or its executive management. Factors that should be considered include<sup>5</sup>:</p> <ul style="list-style-type: none"> <li>whether the individual is the chief executive officer or has been the chief executive officer of the company or a closely related company within the last five years,</li> <li>whether the individual is employed or has been employed by the company or a closely related company within the last three years,</li> <li>whether the individual receives a not insignificant remuneration for advice or other services beyond the remit of the board position from the company, a closely related company or a person in the executive management of the company.</li> </ul>	Substantially	Pursuant to Canadian Law and Rules, the Company complies with independence requirements for its Board which are consistent with the Swedish Code.

<sup>4</sup> The chief executive officer and an executive chair of the board may thus not both be members of the board if the latter is also a member of the company's executive management. A member of the board may, however, be employed and receive remuneration from the company without being a member of the executive management, e.g. a member of the board who is honorary chair of the board or who acts as an "ambassador" for the company or similar.

<sup>5</sup> The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

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	<ul style="list-style-type: none"> <li>• whether the individual has or has within the last year had a significant business relationship or other significant financial dealings with the company or a closely related company as a client, supplier or partner, either individually or as a member of the executive management, a member of the board or a major shareholder in a company with such a business relationship with the company<sup>6</sup>,</li> <li>• whether the individual is or has within the last three years been a partner at, or has an employee participated in an audit of the company conducted by, the company's or a closely related company's current or then auditor,</li> <li>• whether the individual is a member of the executive management of another company if a member of the board of that company is a member of the executive management of the company, or</li> <li>• whether the individual has a close family relationship with a person in the executive management or with another person named in the points above if that person's direct or indirect business with the company is of such magnitude or significance as to justify the opinion that the board member is not to be regarded as independent.</li> </ul> <p>A closely related company is defined in this context as another company in which the company holds, directly or indirectly, at least ten per cent of the shares, ownership interest or votes, or a financial share that confers an entitlement of at least ten per cent of the yield. If the company owns more than 50 per cent of the shares, ownership interest or votes in another company, it is to be regarded as indirectly holding the latter company's ownership in other companies.</p>		
4.5	At least two of the members of the board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.	Yes	

<sup>6</sup> This point is not to be regarded as applicable to a normal business relationship as a customer of a bank.

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	<p>In order to determine a board member's independence and integrity, the extent of the member's direct and indirect relationships with major shareholders is to be taken into consideration<sup>7</sup>. A member of the board who is employed by or is a board member of a company which is a major shareholder is not to be regarded as independent.</p> <p>In this context, a major shareholder is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. If a company owns more than 50 per cent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.</p>		
4.6	<p>Nominees to positions on the board are to provide the nomination committee with sufficient information to enable an assessment of the candidate's independence as defined in 4.4 and 4.5.</p>	Substantially	<p>Board members complete an annual board survey which requires them to provide information on their independence as defined under Canadian Law and Rules, not as independence is defined under the Swedish Code.</p>
4.7	<p>Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting</p>	Yes	<p>Members of the board hold office until the next annual meeting of shareholders of the Corporation or until his/her successor is duly elected or appointed, unless his/her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the Canada Business Corporations Act.</p>
5.1	<p>Each director is to form an independent opinion on each matter considered by the board and to request whatever information he or she believes necessary for the board to make well-founded decisions.</p>	Yes	<p>Pursuant to the Mandate of Individual Directors adopted by the Board, each Director shall act honestly and in good faith in the best interests of the Corporation and its shareholders and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p>
5.2	<p>Each director is to acquire continuously the knowledge of the company's operations, organisation, markets etc., that is necessary to carry out the assignment.</p>	Yes	<p>Pursuant to the Mandate of Individual Directors adopted by the Board, each Director has the responsibility to:</p> <ul style="list-style-type: none"> <li>(a) become generally knowledgeable about the Corporation's business and its industry;</li> <li>(b) participate in Director orientation and education programs developed by the Corporation from time to time;</li> <li>(c) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates;</li> <li>(d) become acquainted with the senior officers and key management personnel; and</li> <li>(e) gain and update his or her knowledge about the Corporations facilities and visit these facilities when appropriate.</li> </ul>
6.1	<p>The chair of the board is to be elected by the shareholders' meeting. If the chair</p>	No	<p>The Board elects the Chair.</p>

<sup>7</sup> The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

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	relinquishes the position during the mandate period, the board is to elect a chair from among its members to serve until a new chair has been elected by the shareholders' meeting.		
6.2	If the chair of the board is an employee of the company or has duties assigned by the company in addition to his or her responsibilities as chair, the division of work and responsibilities between the chair and the chief executive officer is to be clearly stated in the board's statutory Rules of Procedure and its Instruction to the Chief Executive Officer.	Yes	The Board has adopted separate mandates and position descriptions for the Chair and the Chief Executive Officer.
6.3	<p>The chair is to ensure that the work of the board fulfils its obligations. In particular, the chair is to</p> <ul style="list-style-type: none"> <li>• organise and lead the work of the board to create the best possible conditions for the board's activities,</li> <li>• ensure that new board members receive the necessary introductory training, as well as any other training that the chair and member agree is appropriate,</li> <li>• ensure that the board regularly updates and develops its knowledge of the company,</li> <li>• be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board,</li> <li>• ensure that the board receives sufficient information and documentation to enable it to conduct its work,</li> <li>• in consultation with the chief executive officer, draw up proposed agendas for the board's meetings,</li> <li>• verify that the board's decisions are implemented, and</li> <li>• ensure that the work of the board is evaluated annually.</li> </ul>	Substantially	<p>The Board, its committees, and its individual members operate pursuant to certain mandates and position descriptions. A position description has been approved for the chair which is as follows:</p> <p>The Chair of the Board shall manage, and act as chief administrative officer of, the Board with the following specific duties and responsibilities:</p> <ul style="list-style-type: none"> <li>(i) to act as the chair, unless absent, at all meetings of the shareholders or delegate such responsibilities to the President and Chief Executive Officer, a Vice-President who is a shareholder, or to the Lead Director;</li> <li>(ii) to act as the chair, unless absent, at all meetings of the Board or delegate such responsibilities to the Lead Director or to another independent Director;</li> <li>(iii) to act as spokesperson for the Board;</li> <li>(iv) to review the agenda for each meeting of the Board;</li> <li>(v) to assist the Board in the discharge of its mandate and responsibilities; and</li> <li>(vi) to approve and sign on behalf of the Board all communications and reports from the Board to the shareholders or delegate such responsibilities to the President and Chief Executive Officer or Lead Director.</li> </ul> <p>A position description has also been approved for the Lead Director which is as follows:</p> <p>The Lead Director appointed by the Board shall be an independent director who is designated by the full Board to act as the lead director of the Board in order to provide independent leadership to the Board. The Lead Director will facilitate the functioning of the Board independently of the</p>



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			<p>Corporation's management, and will, together with the Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee and the other independent committees of the Board, maintain and enhance the approach to corporate governance of the Corporation as established by the Board from time to time.</p> <p>The following are the responsibilities of the Lead Director. The Lead Director may delegate or share, where appropriate, certain of these responsibilities with the Audit Committee and Compensation Committee and/or any other independent committee of the Board:</p> <ul style="list-style-type: none"> <li>• At the direction of the Chairman, chairing all meetings of the Board or delegating such responsibilities to another independent Director and, at the direction of the Chairman, chairing all meetings of the shareholders, or delegating such responsibilities to the CEO or any other Director.</li> <li>• Providing independent leadership to the Board to enhance the Board's effectiveness, including: <ul style="list-style-type: none"> <li>○ consult and meet with any or all of the other independent directors, at the request of any of them and with or without the attendance of the Chairman, and represent such Directors in discussions with the senior officers and the Chairman concerning corporate governance and other matters;</li> <li>○ facilitating the functioning of the Board independently of the Corporation's management and, together with the Chair of the Corporate Governance and Nominating Committee, maintain and enhance the approach to corporate governance of the Corporation as established by the Board from time to time;</li> <li>○ presiding over in-camera sessions of the Board, as applicable;</li> <li>○ together with the Chairman, ensuring that the responsibilities of the Board are well understood by both the Board and management, and that the boundaries between Board and management responsibilities are clearly understood and respected;</li> <li>○ ensuring that the Board works as a cohesive team and providing the independent leadership essential for this purpose;</li> <li>○ together with the Chairman, ensuring that the resources available to the</li> </ul> </li> </ul>

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			<p>Board (in particular timely and relevant information) are adequate to support its work;</p> <ul style="list-style-type: none"> <li>○ ensuring that a process is in place by which the effectiveness of the Board and its committees is assessed on a regular basis; and</li> <li>○ ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the board and committees is assessed on a regular basis, and facilitating the process of conducting director evaluations together with any committees.</li> </ul> <p>Together with the Chairman, the Lead Director manages the Board by:</p> <ul style="list-style-type: none"> <li>• assisting in the preparation of the agenda of the Board meetings;</li> <li>• adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;</li> <li>• ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;</li> <li>• ensuring that a succession planning process is in place to appoint the Chief Executive Officer and other members of management when necessary; and</li> <li>• working with the Corporate Governance and Nominating Committee and approaching potential candidates once potential candidates are identified, to explore their interest in joining the board.</li> </ul>
7.1	The board is to review the relevance and appropriateness of its statutory Rules of Procedure, Instruction to the Chief Executive Officer and Reporting Instruction at least once a year.	Substantially	The Board, its committees, and its individual members operate pursuant to certain mandates and position descriptions. The Board periodically undertakes a review of its effectiveness as a board. Changes in its operating procedures are reflected in the Board minutes.
7.2	If the board establishes special committees to prepare its decisions on specific issues, its Rules of Procedure are to specify the duties and decision-making powers that the board has delegated to these committees and how the committees are to report to the board. Committees are to keep minutes of their meetings and the minutes are to be made available to the board <sup>8</sup> . An audit committee is to comprise no fewer than three board members. The	Yes	The Board has three standing committees, the Audit Committee, the Compensation Committee and the Corporate Governance & Nominating Committee. Each committee has its own Mandate and/or Charter, setting out the committee's duties and responsibilities. Minutes are kept for each committee meeting. All members of the Audit Committee must be independent and financially literate. A majority of the members of the Compensation Committee must be non-management and unrelated directors. All members of the Corporate

<sup>8</sup> Stipulations on the appointment of an audit committee and the tasks of the committee are to be found in chapter 8, sections 49 a-b of the Swedish Companies Act (2006:551). Chapter 8, section 49a, paragraph 2 of the Act states that the entire board may perform the tasks of the audit committee.

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	majority of the members of the committee are to be independent of the company and its executive management. At least one of the committee members who are independent of the company and its executive management is also to be independent of the company's major shareholders <sup>9</sup> .		Governance & Nominating Committee must be independent.
7.3	The board is responsible for ensuring that the company has good internal controls. The board is to ensure that the company has formalized routines to ensure that approved principles for financial reporting and internal controls are applied, and that the company's financial reports are produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to explain its decision in its report on internal controls in the company's corporate governance report <sup>10</sup> .	Yes	The Board is responsible for overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis; and overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements. In addition, the Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.
7.4	The description of the company's internal controls included in the corporate governance report is also to include the board's measures for monitoring that the internal controls related to financial reports and reporting to the board function adequately.	No	Under Canadian Law and Rules, NGex does not file a separate corporate governance report. NGex's Proxy Circular and NGex's Annual Information Form provide detailed information on the oversight role of the Board's Audit Committee with regard to financial reporting and the monitoring of internal controls.
7.5	At least once a year, the board is to meet the company's statutory auditor without the chief executive officer or any other member of the executive management present.	Yes	
7.6	The board of directors is to ensure that the company's six –or nine-month report is reviewed by the statutory auditor.	Yes	
8.1	The board of directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the board's working methods and efficiency. The results of this evaluation are to be reported to the nomination committee. The corporate governance report is to state how the board evaluation was conducted and reported.	Partially	The board does use a systematic and structured process to evaluate its work by conducting an annual assessment and the results are reported by the CG&Nominating Committee to the Board. As noted above, under Canadian Law and Rules, NGEx does not file a separate corporate governance report however the board evaluation process is explained in NGEX's Proxy Circular.

<sup>9</sup> Chapter 8, section 49a, paragraph 1 of the Swedish Companies Act (2006:551) states that members of the committee may not be employees of the company, and that at least one committee member is to be independent of the company and its executive management, as well as the company's major shareholders. This member must also have auditing or accounting competence. For assessment of independence, see 4.4 and 4.5.

<sup>10</sup> The inclusion in the company's corporate governance report of a report on internal controls and risk management in connection with financial reporting is a requirement stipulated in chapter 6, section 6, paragraph 2, bullet 2 of the Annual Accounts Act (1995:1554).

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8.2	The board is to continuously evaluate the work of the chief executive officer. The board is to examine this issue formally at least once a year, and no member of the executive management is to be present during this evaluation process.	Yes	The Compensation Committee is responsible for annually evaluating the performance of the President and Chief Executive Officer and make recommendations to the Board. No member of the executive management is present during this evaluation process.
9.1	<p>The board is to establish a remuneration committee, whose main tasks are to:</p> <ul style="list-style-type: none"> <li>• prepare the board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management,</li> <li>• monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and</li> <li>• monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the annual general meeting is legally obliged to establish<sup>11</sup>, as well as the current remuneration structures and levels in the company.</li> </ul>	Partially	The Company's Compensation Committee reviews compensation policies and makes recommendations to the Board regarding remuneration matters. There is no requirement under Canadian Law and Rules to establish remuneration guidelines at the annual general meeting.
9.2	The chair of the board may chair the remuneration committee. The other shareholders' meeting-elected members of the committee are to be independent of the company and its executive management <sup>12</sup> . If the board considers it is more appropriate, the entire board may perform the remuneration committee's tasks, on condition that no board member who is also a member of the executive management participates in this work.	Partially	Pursuant to Canadian Law and Rules, members of the Compensation Committee are members of the Board and are appointed by the Board whose members are elected by shareholders. The Compensation Committee shall have at least three members, the majority of whom shall be non-management and unrelated directors.
9.3	If the remuneration committee or the board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.	Yes	

<sup>11</sup> The stipulation that the annual general meeting is to establish guidelines for executive remuneration is to be found in chapter 7, section 61 of the Swedish Companies Act (2005:551). The guidelines are to contain the criteria stated in chapter 8, section 51, paragraph 1 and section 52, paragraph 1 of the Act, where it is stated specifically that the guidelines are not to cover fees and other remuneration for board work.

<sup>12</sup> For assessment of independence with regard to the company and its executive management, see 4.4.

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes/No/ Partially/ Substantially)	Explanation (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as "Canadian Law and Rules")
9.4	Variable remuneration is to be linked to predetermined and measurable performance criteria <sup>13</sup> aimed at promoting the company's long-term value creation.	Partially	<p>The Compensation Committee provides recommendations to the Board on discretionary cash bonuses from time to time. Bonuses are a variable, or "at-risk", component of compensation designed to pay for performance and support the Corporation's vision, mission and values. To determine the amount of discretionary cash bonuses to award, the Compensation Committee considers the following performance factors, as well as taking into consideration both individual and corporate performance measures, including financials, budgetary, projects and other initiatives:</p> <ul style="list-style-type: none"> <li>• the individual's contribution to the benefit of the Corporation and the assessment of each individual's performance;</li> <li>• the long-term interests of the Corporation and its Shareholders including exploration success;</li> <li>• the individual's responsibilities, length of service and levels of compensation provided by industry competitors; and</li> <li>• the operational performance and the Corporation's financial position.</li> </ul> <p>Such performance measures are based on a subjective assessment by the Compensation Committee in light of overall performance achieved during that year and are not based on objectively defined targets.</p>
9.5	Variable remuneration paid in cash is to be subject to predetermined limits regarding the total outcome. <sup>14</sup>	No	<p>The Compensation Committee provides recommendations on discretionary cash bonuses designed to pay for performance and support the Corporation's vision, mission and values. Such performance measures are based on a subjective assessment by the Compensation Committee in light of overall performance achieved during that year and are not based on objectively defined targets.</p>
9.6	The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management. The decision of the shareholders' meeting is to include all the principle conditions of the scheme <sup>15</sup> .	Substantially	<p>Pursuant to Canadian Law and Rules, shareholders are requested to approve the Company's equity-based compensation arrangements (such as the Company's existing stock option plan) at the time such schemes are put into place and information about the plan is provided in the Proxy Circular at the time of the request for approval.</p>
9.7	Share and share-price related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders. The vesting period or the	Yes	<p>The Corporation provides long-term incentives through stock option grants pursuant to its Share Option Plan. Options are a variable, or "at-risk", component of compensation which are considered to be an effective vehicle for deepening a sense of ownership amongst</p>

<sup>13</sup> The criteria may be of different kinds, including own investment, e.g. through participation in a share savings programme. The term measurable is used to indicate that it should be possible to evaluate to what extent the criteria have been fulfilled.

<sup>14</sup> Such limits do not need to be specified as cash amounts, but may also be defined in other ways.

<sup>15</sup> Issues such as decision-making processes and what type of information and documentation is required to make decisions on share and share-price related incentive programmes are also regulated by mandatory rules in Chapter 16 of the Companies Act and by statements from the Swedish Securities Council, primarily Statement AMN 2002:1.

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes/No/Partially/Substantially)	Explanation (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as "Canadian Law and Rules")
	<p>period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the company is promoted. Programmes designed for board members are to be devised by the company's owners and to promote long-term ownership of shares.<sup>16</sup></p>		<p>executives and increasing alignment with the interests of Shareholders, as they vest over time and provide an incentive to create long-term growth.</p>
9.8	<p>Fixed salary during a period of notice and severance pay are together not to exceed an amount equivalent to the individual's fixed salary for two years.</p>	No	<p>Compensation and severance is determined pursuant to the terms of the executive's employment agreement.</p>
10.1	<p>In its corporate governance report, the company is to state clearly</p> <ul style="list-style-type: none"> <li>• which Code rules it has not complied with,</li> <li>• explain the reasons for each case of non-compliance and</li> <li>• describe the solutions it has adopted instead.</li> </ul>	Partially	<p>As noted above, NGEx does not complete a separate corporate governance report. However, the Company does include a comprehensive report on its corporate governance practices in its Proxy Circular.</p> <p>By this document, NGEx is explaining its compliance with the Swedish Code.</p>
10.2	<p>As well as the items stipulated by legislation<sup>17</sup>, the following information is to be included in the corporate governance report if it is not presented in the annual report:</p> <ul style="list-style-type: none"> <li>• the composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated,</li> <li>• the information on each member of the board that is required by the third paragraph of Code rule 2.6,</li> <li>• the division of work among members of the board and how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings,</li> <li>• the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective committee's meetings,</li> <li>• how board evaluation<sup>18</sup> is conducted and reported,</li> </ul>	Substantially	<p>Similar information is required under applicable Canadian Law and Rules and is provided in NGEx's Proxy Circular.</p>

<sup>16</sup> That board members who are not also employees of the company are not to participate in programmes designed for the executive management or other employees is a result of Swedish Securities Council Statement AMN 2002:1.

<sup>17</sup> The information to be included in the corporate governance report is stipulated in chapter 6, section 6 of the Annual Accounts Act (1995:1554).

<sup>18</sup> See rule 8.1.

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes/No/ Partially/ Substantially)	Explanation (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as “Canadian Law and Rules”)
	<ul style="list-style-type: none"> <li>• a description of internal controls in accordance with paragraph 3 of rule 7.3 and with rule 7.4,</li> <li>• for the chief executive officer:               <ul style="list-style-type: none"> <li>- year of birth, principal education and work experience,</li> <li>- significant professional commitments outside the company, and</li> <li>- holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as significant shareholdings and partnerships in enterprises with which the company has significant business relations,</li> </ul> </li> <li>• any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.</li> </ul>		
10.3	<p>The company is to have a section of its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with that part of the audit report which deals with the corporate governance report or the auditor's written statement on the corporate governance report.<sup>19</sup></p> <p>The corporate governance section of the website is to include the company's current articles of association, along with any other information required by the Code.<sup>20</sup> It is also to include up to date<sup>21</sup> information regarding:</p> <ul style="list-style-type: none"> <li>• members of the board, the chief executive officer and the statutory auditor<sup>22</sup>,</li> <li>• a description of the company's system of variable remuneration to the board and executive management, and of each outstanding share- and share-price related incentive scheme.</li> </ul> <p>The board is also to publish the results of</p>	Partially	NGEX does have a section of its website devoted to corporate governance which sets out the committees of the Board and identifies membership. NGEX's Proxy Circular is also filed on its website which provides disclosure relating to compensation and corporate governance.

<sup>19</sup> The requirement for an auditor review of the corporate governance report if it is included in the director's report or of the information that is otherwise found in the company's or group's director's report is stipulated in chapter 9, section 31 of the Companies Act (2005:551). The requirement for auditor review if the corporate governance report is published separately from the annual report is stipulated in chapter 6, section 9 of the Annual Accounts Act (1995:1554).

<sup>20</sup> See 1.1, 2.5 and 2.6.

<sup>21</sup> The term up to date is to be interpreted as meaning that the information is to be updated within seven days of any changes made or becoming known to the company.

<sup>22</sup> See the second and seventh points in the first paragraph of rule 10.2 regarding information on members of the board and the chief executive officer.

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes/No/Partially/Substantially)	Explanation (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as "Canadian Law and Rules")
	the evaluation required by points two and three of Code rule 9.1 in the corporate governance section of the company's website no later than three weeks before the annual general meeting,		

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