

ORMONDE MINING PLC

Rule 26 Corporate Governance Disclosure

The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of Ormonde and its subsidiaries. A description of corporate governance matters is routinely contained within the Company's annual reports and website. However, a change to the London Stock Exchange's AIM Rule 26 requires that, as of 28 September 2018, each AIM company must include on its website details of a recognised corporate governance code that the board of directors has decided to apply, how the company complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so.

Your Board welcomes this regulatory change as an opportunity to communicate its governance arrangements to shareholders. We have selected to apply the Quoted Companies Alliance Corporate Governance Code ("the QCA Code"). The QCA Code is constructed around ten broad principles and a set of disclosures that focus on the pursuit of growth in the medium to long-term, and a dynamic management framework accompanied by good communication to promote confidence and build trust.

The table below sets out the principles and correct application of the QCA Code, and a description of how Ormonde's corporate governance practices comply, and where they do not yet comply an explanation is given.

Michael Donoghue
Chairman

This disclosure was last reviewed and updated on 24 September 2018.

THE PRINCIPLES OF THE QCA CODE

DELIVER GROWTH

Principle	Application	Ormonde compliance	Departures and explanation
1. Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	The Company's business model including its vision, mission, strategy to deliver shareholder value in the medium to long term, and discussion of the key challenges in their execution are presented on its website here .	None.
2. Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	The Company engages with shareholders in the following ways: Annual General Meeting (AGM): The Directors regard the AGM as a particularly important opportunity for shareholders, Directors and management to meet and exchange views. The Directors are encouraged each year by the level of attendance and interest demonstrated at the AGM.	None.

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		<p><i>Broker and investor presentations:</i> Management meets with stockbrokers, analysts, larger shareholders and potential investors to present Company developments, typically two to three times each year in the form of investor roadshows. These meetings provide a valuable opportunity to present the Company's progress, and to also gain feedback from shareholders and the broader marketplace as to their needs and expectations.</p> <p><i>Telephone and email enquiries:</i> The Company regularly receives email and telephone enquiries throughout the year, and the Company's executives endeavour to respond to each enquiry in a timely manner. The Directors welcome and encourage such enquiries.</p> <p>The CFO and COO of the Company are responsible for shareholder liaison and can be contacted at the Company's office – details are provided here. The Company also operates an email alerts mailing list which shareholders can subscribe to</p>	

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		<u>here.</u>	
<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p>The success of Ormonde's business model and strategy relies upon the safety and welfare of its workforce, and good relations with local communities, governments, contractors and joint venture partners. The Board has consistently worked to nurture positive relationships with all stakeholder groups as the Company's activities have evolved from early stage exploration projects to mine development.</p> <p>Engagement with communities and government is particularly important in the mine permitting and planning process - environmental impact studies, cultural heritage impact studies, land acquisition and planning permissions all require positive engagement with local stakeholders, and it is essential that their feedback be reflected in the Company's project development process.</p>	<p>None.</p>

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		<p>The Company's impact on society, host communities and governments, and the environment are fully integrated into the Company's strategy and business model. Saloro SLU, the operating company for the Barruecopardo Tungsten Project, has been particularly successful in engaging with local stakeholders. See pages 13-14 of the <u>Annual Report</u> for more information.</p>	
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>The principal risks and uncertainties identified by the Board are described on page 18 of the <u>Annual Report</u>.</p> <p>The Directors have embedded effective risk management within the Company's strategy in the following ways:</p> <p><i>Exploration risk:</i> The technical risks typically associated with a mineral exploration company have been reduced through the Company's focus on advanced projects and in particular the evaluation and development of its Barruecopardo Tungsten Project in Spain. Some commissioning risk remains prior to the mine entering</p>	<p>None.</p>

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		<p>production, but the simple ore treatment process being used means that commissioning risk is much lower than would be typical for mining projects.</p> <p>Commodity price risk: The nature of the Company's business means it remains exposed to the cyclical nature of commodity prices, but the Company's strategy reduces this risk exposure by focusing on quality low operating cost projects and commodities with a positive supply-demand outlook in the medium to long-term: tungsten, copper and gold.</p> <p>Political risk: The Company's mineral exploration and mine development activities are currently focused entirely in Spain, a safe and stable European jurisdiction, minimising exposure to political and economic uncertainties and unexpected changes to mining legislation. Growth opportunities may, in the future, be considered outside of Spain, but political and legislative stability will continue to be important investment criteria.</p>	

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		<p>Financial risk: The Company's financial risks are typical for an emerging international mine development company, including exposure to capital costs being higher than budgeted, mine performance being below forecast, revenues being affected by prevailing metal prices and performance, the possibility of additional funding being required to maintain operations etc. The Directors are responsible for maintaining the Group's system of internal control to monitor shareholders' investments and Group assets. The internal control system currently in place is described on pages 23-24 of the Annual Report.</p>	

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

Principle	Application	Ormonde compliance	Departures and explanation
5. Maintain the board as a well-functioning, balanced team led	The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for	The Board currently has three Directors, comprising two non-executive Directors and one executive Director. The Directors and their biographical details are presented on the	To apply the standards of the QCA Code, the Board should have at least two independent non-executive

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by the chair	<p>defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>Company's website and in the Annual Report.</p> <p>Mr. Jonathan Henry is considered by the Board to be independent. Mr. John Carroll and Mr. Donoghue are not considered to be independent, using as a reference the criteria set out in the UK Corporate Governance Code provision B.1.1.</p> <p>Non-executive Directors are not appointed for specific terms, with one-third of non-executive Directors up for re-election each year and each new Director is subject to election at the next Annual General Meeting following the date of appointment.</p> <p>Each of the Directors is able to meet the time commitments necessary to fulfil their roles, including attending Board meetings in person or by phone and attending to <i>ad hoc</i> Board matters as they arise.</p> <p>The Board met formally on nine occasions during the year ended 31 December 2017. Meeting attendance is summarised in the table below, with attendance being in person or by phone call. An agenda and supporting board papers were circulated in advance of most of these meetings. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely</p>	<p>Directors. Due to the size of Board, it does not currently comply with this standard.</p> <p>Up to September 2017, the Board comprised three non-executive Directors (including the non-executive chairman) and one executive Director. Following the resignation of Mr. Stephen Nicol as Managing Director in September 2017, the Board judged that with the Company in a transitional phase during mine development at Barruecopardo it would not be an appropriate time to add new Board members. The Board was rearranged with the chairman, Mr. Michael Donoghue, assuming a combined executive role as Interim Managing Director. The management team was supported by the</p>

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		<p>access to information necessary to enable them to discharge their duties.</p> <p>Board attendance in the year ended 31 December 2017:</p> <table border="1" data-bbox="1037 496 1648 895"> <thead> <tr> <th data-bbox="1037 496 1240 576">Board member</th> <th data-bbox="1243 496 1469 576">Role</th> <th data-bbox="1471 496 1648 576">Attendance</th> </tr> </thead> <tbody> <tr> <td data-bbox="1037 577 1240 657">M. Donoghue*</td> <td data-bbox="1243 577 1469 657">Chairman</td> <td data-bbox="1471 577 1648 657">9/9</td> </tr> <tr> <td data-bbox="1037 659 1240 738">S. Nicol</td> <td data-bbox="1243 659 1469 738">Managing Director</td> <td data-bbox="1471 659 1648 738">7/7</td> </tr> <tr> <td data-bbox="1037 740 1240 820">J. Carroll</td> <td data-bbox="1243 740 1469 820">Non-exec Director</td> <td data-bbox="1471 740 1648 820">9/9</td> </tr> <tr> <td data-bbox="1037 821 1240 895">J. Henry</td> <td data-bbox="1243 821 1469 895">Non-exec Director</td> <td data-bbox="1471 821 1648 895">9/9</td> </tr> </tbody> </table> <p>* Following the resignation of Mr. Nicol on 18 September 2017, Mr. Donoghue became Interim Managing Director and assumed an executive role.</p>	Board member	Role	Attendance	M. Donoghue*	Chairman	9/9	S. Nicol	Managing Director	7/7	J. Carroll	Non-exec Director	9/9	J. Henry	Non-exec Director	9/9	<p>appointment of Fraser Gardiner as Chief Operating Officer.</p> <p>The Directors recognise the importance of improving the balance of the Board as the Company develops, and undertake to make suitable appointments at an appropriate time.</p>
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M. Donoghue*	Chairman	9/9																
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<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as</p>	<p>The Directors and their biographical details are presented on the Company's website and in the <u>Annual Report</u>.</p> <p>The Board as a whole contains an appropriate balance of experience, skills, personal qualities and capabilities at the current stage of the Company's development to deliver its strategy</p>	<p>None.</p>															

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	<p>part of its composition.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>for the benefit of shareholders. Specifically, the Directors' combined skills and experience in the mining sector and financial markets are reflected in the Company's demonstrated ability to evaluate, permit, fund and develop a mining project against a backdrop of challenging market conditions.</p> <p>The Directors consider that these strengths will continue to support the Company's future development, but also recognise that, as the Company evolves, the Board composition will need to evolve to reflect change.</p> <p>The Board endeavours to ensure that each Director's skills remain effective to the Company's growth and development. The small size of the Board enables the close engagement with senior management and regular information exchange on corporate and technical developments within the Company and in the broader mining sector. The Directors benefit from extensive personal and professional networks within the mining sector and investment community which bring regular and relevant knowledge and insight to the Company's business. External legal and financial advice is made available to the Directors as required.</p>	

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		<p>The Board engages external board advisers from time to time, to advise on general corporate matters.</p> <p>Mr. Jonathan Henry is the Senior Independent Director.</p> <p>The Company Secretary is Mr. John Carroll who is also a non-executive Director. The Company Secretary has oversight for compliance matters and provides support to the Chair in ensuring the effective functioning of the Board.</p>	
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p> <p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become</p>	<p>The Board considers that it is performing effectively as a unit, at committee level and on an individual Director basis, however it does not currently conduct a formal evaluation process.</p>	<p>The Board has not yet carried out a formal board performance evaluation. The Board will keep this under consideration and put procedures in place at the appropriate time.</p>

Principle	Application	Ormonde compliance	Departures and explanation
	indispensable.		
8. Promote a corporate culture that is based on ethical values and behaviours	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>The Board works to encourage and nurture a corporate culture that is consistent with the Company’s vision and supports its strategic objectives. An ongoing, open and constructive dialogue between the Directors and senior management facilitates the Board to monitor, assess and promote a healthy, questioning, corporate culture across the Company’s operations. As a small company with a clear focus on creating value through mine development, the Board has identified the following key cultural values as being visible across the Company’s business:</p> <ul style="list-style-type: none"> <li data-bbox="1077 855 1648 1161">□ Focus on project delivery: At all levels of the Company, including its contractors and partners, there is a clear focus on delivering the best possible results from its projects, in the interest of creating wealth for the Company’s shareholders, employees, host communities and governments. <li data-bbox="1077 1182 1648 1370">□ Dedication and flexibility: The Board, management and employees form a dedicated, loyal and productive group, evident in the length of service and commitment shown towards the 	None.

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		<p>Company's goal of becoming a producing mining company.</p> <p>□ Acting with care and responsibility: Delivering the Company's strategy requires that its workforce and partners act with care and responsibility towards each other, the environment and the host communities where the Company operates.</p> <p>Ethical values and behaviours are further promoted and governed by the Board through the Company's Code of Business Conduct and Ethics.</p>	
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>The Board is responsible for the supervision and control of the Company and is accountable to shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.</p> <p>The Chairman is Mr. Michael Donoghue, who was appointed as Chairman in April 2004. The Chairman leads the Board, including chairing formal board meetings and general meetings,</p>	<p>Best practice requires that the responsibilities of Chairman and Managing Director be clearly divided. However, on a temporary basis while the Company transitions through mine development at Barruecopardo, the Board has judged that the current structure is functional with sufficient oversight of executive management</p>

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		<p>setting the Board agenda and ensuring that sufficient time is devoted to its discussions. Normally, the chairman’s role is non-executive, however, since September 2017 Mr. Donoghue has also held the office of Interim Managing Director and these combined duties have resulted in Mr. Donoghue taking an executive role on a temporary basis.</p> <p>The Board operates Audit and Remuneration Committees, as described on pages 22-23 of the Annual Report. Given the current size of the Group a Nominations Committee is not considered necessary and the Board reserves to itself the process by which a new director is appointed.</p> <p>Terms of reference for the Audit Committee can be found here, and for the Remuneration Committee here.</p> <p>The Board’s plans for evolution of the governance framework as the Company grows include:</p> <ul style="list-style-type: none"> □ Separation of the temporarily combined Chair and Managing Director roles; □ Appointment of at least one more independent director and nomination of a senior independent director; 	<p>being provided by the non-executive Directors. It is the Board’s intention to re-separate the Chair and Managing Director roles at an appropriate time.</p>

Principle	Application	Ormonde compliance	Departures and explanation
		<input type="checkbox"/> Implement a suitable board performance evaluation process.	

BUILD TRUST

Principle	Application	Ormonde compliance	Departures and explanation
<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> • the communication of shareholders’ views to the board; and • the shareholders’ understanding of the unique circumstances and constraints faced by the company. <p>It should be clear where these communication practices are described (annual report or website).</p>	<p>Communication and reporting structures between the Board and its stakeholders include RNS announcements, Annual and Interim Reports, AGM presentations, updated project information including site photographs posted on the Company website, and management responses to telephone and email enquiries.</p> <p>The Remuneration Committee report is presented on page 23 of the <u>Annual Report</u>.</p> <p>The outcome of shareholder votes at general meetings of the Company are reported by RNS following each meeting.</p> <p>There have been no occasions where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting.</p> <p>Historical annual reports and other governance-related material, including notices of all general meetings over the last five years, can be found on the</p>	<p>The Audit Committee does not currently produce a report. It is the Board’s intention to include one in future Annual Reports.</p>

		Company website.	
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