

ESG Sustainability Report 2023

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Statement from our CEO

On behalf of the management and directors, I am pleased to update you on the key milestones completed to date in 2023 and the goals and objectives for MetalQuest Mining Inc. (MQM) for the balance of the year.

From MQM's inception to this date, our primary focus before delving into any project has been to identify all key stakeholders, especially ones involved with the environmental and social prospects in the regions where our projects are located. To this effect, we have not only spent a substantial amount in that direction but have and are directly engaged with the First Nations, custodians, and communities around all our properties. Our team at MQM have a firm belief that where the success of a project is deduced from its financial statements and economic prospects, the sustainability of that success lies solely in strong consideration of environmental, social, and governance (ESG) metrics of that said project, which further gives us the motivation, encouragement, and the "Social License to Operate".

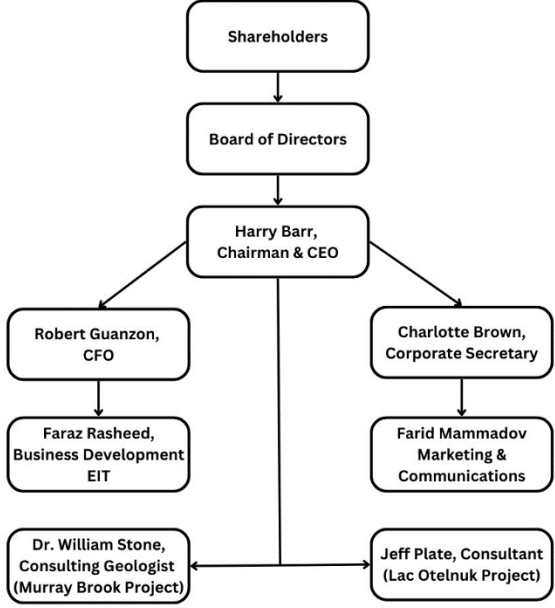


The Company aims to ensure that we are actively communicating with investors and other stakeholders to the best of our abilities, and we want you to know that we are available to answer any questions or concerns. If you would like to receive an update, please contact us at our Rockport field office line (1-613-659-2773 or 1-800-667-1870). Alternatively, you can reach us via email at hbarr@metalquestmining.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Organization Profile and Governance

1	<p>Company Description</p>	<p>MetalQuest Mining Inc. (MQM) is planning to develop one of the largest iron ore projects in North America. The Lac Otelnuke Iron Ore Project, owned 100% by MQM, is located approximately 165 km by air northwest of the village of Schefferville, and 1,200 km northeast of Montreal by air. The Company is diversified with a ~28% stake in Murray Brook PEA Stage Polymetallic VMS Deposit, situated in the famous Bathurst Mining District, New Brunswick, Canada. Votorantim Metals Canada Inc. owns the remaining 72%. MQM is completing its due diligence on its recently acquired iron ore project and the go-forward plan was announced on May 16th, 2023. On 11th September 2023, MQM entered a binding letter of intent with Canadian Copper Inc. to sell its minority share of the Murray Brook Project. MQM's current market capital, as of 30th November 2023 is \$1.48 million. www.metalquestmining.com</p>
2	<p>Organization Structure</p>	 <pre> graph TD Shareholders[Shareholders] --> Board[Board of Directors] Board --> CEO[Harry Barr, Chairman & CEO] CEO --> CFO[Robert Guanzon, CFO] CEO --> CS[Charlotte Brown, Corporate Secretary] CEO --> CG[Dr. William Stone, Consulting Geologist (Murray Brook Project)] CEO --> JPC[Jeff Plate, Consultant (Lac Otelnuke Project)] CFO --> EIT[Faraz Rasheed, Business Development EIT] CS --> M&C[Farid Mammadov, Marketing & Communications] </pre> <p>Advisors: Watts Griffis & McOuat Ltd (Jeff Plate) Wasayao Strategy Group, First Nations Consulting Firm</p>

3	Organizational profile and affiliations	IFRS – International Financial Reporting Standards TCFD – Task Force on Climate-Related Financial Disclosures SASB – Sustainability Accounting Standards Board
4	Financial Statements	2024 Q1 (April 2023) 2023 Q4 (January 2023) 2023 Q3 (October 2023) 2023 Q2 (July 2022) 2023 Q1 (April 2022)

Scope of Report

1	Scope of Report	<ol style="list-style-type: none"> 1. Lac Otelnuik Iron Ore Project, located in Labrador Trough, Quebec 2. 28%% of Murray Brook Polymetallic VMS Project
2	Resource/reserve type of report	<ol style="list-style-type: none"> 1. The Property is situated in the Churchill Province, of the Labrador Trough ("Trough") adjacent to Archean basement gneiss. The Trough, also known as the Labrador-Quebec Fold Belt, extends for >1,100 km along the eastern margin of the Superior Craton from Ungava Bay to Lake Pletipi, Quebec. The Belt is approximately 100 km wide in its central part and narrows considerably to the north and south. The Property is located north of the Grenville Front in the Churchill Province, where the Trough rocks have been subject to greenschist or sub-greenschist facies regional metamorphism. The principal iron formation unit is known as the Sokoman Formation. 2. The Murray Brook Project is located in the Bathurst Mining Camp ("BMC") of northern New Brunswick. The BMC is an Ordovician back-arc complex of polydeformed sedimentary, felsic volcanic and mafic volcanic rocks formed in separate sub-basins within the back-arc basin, and which have been juxtaposed by five periods of folding and thrusting and are collectively referred to as the Bathurst Supergroup. The sedimentary and volcanic rocks have been intruded by gabbro, diabase and quartz porphyritic rocks of Ordovician age.
3	Fragile and conflict affected situation	None

Taskforce for Climate-related Financial Disclosures (TCFD) disclosures

Incl. Recommendations, supporting recommended disclosures, supplementary guidance for non-financial groups (mining and metals)

	Recommendations	Supported Recommended Disclosures	Disclosures
1	Governance	<ul style="list-style-type: none"> a) Describe the board's oversight of climate-related risks and opportunities. b) Describe the management's role in assessing and managing climate related risks. 	<ul style="list-style-type: none"> i. The CEO of MetalQuest Mining, Mr. Harry Barr, is directly involved in economic, environmental, and social issues pertaining to all activities and reports to the Board of Directors, any committees that fall under the Board of Directors, and the management of MQM. ii. The Audit Committee of the Board of Directors is involved in conducting or authorizing investigations into any matters that the Committee believes is within the scope of its responsibilities, including climate-related risks and opportunities. iii. The Audit Committee also makes inquiries of management and the Auditors to identify significant business, political, environmental & climate-related, financial and control risks and exposures and assesses the steps management has taken to minimize such risks. iv. The Audit Committee also involves itself in establishing and reviewing MQM's procedures for confidential, anonymous submissions by employees/consultants regarding questionable accounting, auditing and financial reporting and disclosure matters. Climate-related risks and opportunities, including those disclosed confidentially/anonymously, are addressed and discussed. v. The Company is committed to managing and operating its assets in a manner that is protective of human health and safety and the environment. Its policy is to comply, in all material respects, with applicable health, safety and

			<p>environmental laws and regulations. Each employee/consultant of the Company is also expected to comply with its policies, programs, standards, and procedures.</p> <p>vi. The assessment and management of climate related risks on its feasibility stage project, Lac Otelnuk, is done on a regular basis with different contracted groups for advice, discussion, implementation, and further study: specifically the Wasayao Strategy Group (First Nation and Government correspondence) and WGM (Technical expertise and evaluation)</p> <p>vii. In-house management and assessment of climate-related risks are regularly reviewed by Faraz Rasheed, Business Development EIT, under direct supervision and guidance from CEO Harry Barr.</p>
2	Strategy	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>i. Risks</p> <ul style="list-style-type: none"> • Exploration/operation permits (short-term) – It is an overlying risk that is managed by being diligent regarding legal/statutory commitments. • Tailings management (Medium-long term) – Since none of MQM's projects are in production, there are no current tailings. When in production, MQM and its partners will establish tailings' management facilities and deploy resources for their management. • Introduction of regulatory regimes for carbon emissions (long-term) – From a climate change perspective and the introduction of several regulatory frameworks such as carbon tax, cap-and-trade etc., MQM will adopt such a strategy and compare the options. We believe that although this bears an extra financial burden for mining companies, it is necessary to have such strategies

		<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>in place to facilitate a more sustainable mining industry.</p> <p>ii. Opportunities</p> <ul style="list-style-type: none"> • Social license to operate (short-term) – MQM stands in good relations and continued advancement of relations with First Nation (FN) communities regarding all its projects. This gives us an opportunity to collaborate with the FN communities on our projects, and share necessary logistics, information, suggestions, and concerns, including traditional knowledge. • Resource opportunity (medium-term) – With active exploration taking place at both of our projects, there is always an opportunity for more resources being established, which could potentially translate into more financial gains in the future. • Technology (long-term) – With evolving mining technology, such as electric haul trucks and other equipment that reduce emissions, costs, and provide additional benefits, MQM will consider these technologies at the appropriate time. • Metal Price (long-term) – Iron ore is poised to show strong demand in coming years, which may directly translate into higher prices, and hence provide MQM with an increased revenue opportunity when in production. <p>iii. The resilience of MQM's strategy will endure in wake of a climate-related scenario, including a 2°C or lower temperature rise, given that the metals MQM is involved with are directly related to the "green revolution" that is often repeated in political and environmental sphere to counter climate changes. Furthermore, good standing</p>
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			with the government and communities, MQM's strategy will most likely remain robust and unchanged.
3	Risk Management	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>i. The assessment and management of climate related to MQM's projects is done on a regular basis with different contracted groups for advice, discussion, implementation, and further study.</p> <p>ii. Specific actions taken to quantify risk:</p> <ul style="list-style-type: none"> • Field work performed by management and contracted groups; • Laboratory testing/assaying; • Engagements with local First Nation Groups; • Wildlife surveys and Species at Risk assessments; • Aerial/ground surveying, mapping, and surveillance; • Thorough and regular review of financial markets, economic situation, and political scenarios to determine financial implications; and • Compliance with all government regulatory requirements. <p>iii. MQM manages climate risk through direct consultation and discussion with related-parties, complainants, institutions, and organizations. The framework developed internally includes a thorough investigation of any changing metrics, a range of solutions to tackle risk, and a review of the implications of the solution. Following this, a suitable vendor/entity is chosen to deal with the risk (if tangible), or a process to de-risk is devised (if possible).</p> <p>iv. The Audit Committee also makes inquiries of management and the Auditors to identify significant business, political, environmental and climate-related, financial and control risks, and exposures and assesses the steps management has taken to minimize such risk.</p>

4	Emissions Metrics and Targets	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>i. GHG Emissions (Tonnes of CO₂e) – Scope 1, 2, and 3</p> <p>ii. Physical Risks – Impairment or stranding of assets, effects on the value of assets and liabilities, and cost of business interruptions, all due to climate change.</p> <p>iii. Climate-related opportunities – Disclosure of the proportion of revenue, assets, or business activities aligned with climate-related opportunities provides insight into the position of organizations relative to their peers and allows users to understand likely transition pathways and potential changes in revenue and profitability over time.</p> <p>iv. Capital Deployment - Capital investment disclosure by non-financial organizations gives an indication of the extent to which long-term enterprise value might be affected.</p> <p>v. Scope 1 emissions: 0</p> <p>vi. No Scope 2 or 3 emissions</p>
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Sustainability Accounting Standards Board (SASB) disclosures

Sustainability Disclosure Topics and Accounting Metrics

1	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations (Metric tons t of CO ₂ , %)	<ul style="list-style-type: none"> i. LOM = 0 ii. MB= 0 Total kg CO₂= 0	EM-MM-110a.1
		Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Since MQM's two projects are not in production, the emissions are negligible, as they would only account for the administrative work done on these projects. Transportation to and from field offices to project sites represents negligible emissions in comparison to any production scenario, and are therefore omitted. When the projects are producing, the emission performance will be gauged against provincial and statutory targets as defined by authorities and management will investigate other appropriate regulatory programs, such as cap-and-trade system, carbon taxes, etc.	EM-MM-110a.2
2	Air Quality	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and	0	EM-MM-120a.1

		(7) volatile organic compounds (VOCs) (Metric Tons t)		
3	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable (in Giga Joules GJ or %)	i. LOM = 0 ii. MB = 0	EM-MM-130a.1
4	Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	i. LOM = 0 ii. MB = 0	EM-MM-140a.1
		Number of incidents of non-compliance associated with water quality permits, standards, and regulations.	0	EM-MM-140a.2
5	Waste and Hazardous Material Management	Total weight of non-mineral waste generated.	0	EM-MM-150a.4
			0	EM-MM-150a.5

		Total weight of tailings produced.		
		Total weight of waste rock generated	0	EM-MM-150a.6
		Total weight of hazardous waste generated.	0	EM-MM-150a.7
		Total weight of hazardous waste recycled.	0	EM-MM-150a.8
		Number of significant incidents associated with hazardous materials and waste management.	0	EM-MM-150a.9
		Description of waste and hazardous materials management policies and procedures for active and inactive operations	NA	EM-MM-150a.10
6	Biodiversity Impact	Description of environmental	i. LOM:	EM-MM-160a.1

		management policies and practices for active sites	<ul style="list-style-type: none"> There is no field work carried out in the past year, and therefore such environmental management was not needed. All environmental documentation and work is already being discussed and assessed with our First Nation partners and Wasayao (consultants). <p>ii. MB:</p> <ul style="list-style-type: none"> When in production, the site can be expected to produce some acid drainage and hazardous chemical usage might be possible in case there is another option for processing. Since the Project isn't that advanced, it is not possible to report any such numbers and practices at this time. 	
		Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation.	<p>i. LOM: NA</p> <p>ii. MB: NA</p>	EM-MM-160a.2
7	Security, Human Rights, and Rights of Indigenous People	Percentage of (1) proved and (2) probable reserves in or near areas of conflict.	0%	EM-MM-210a.1
		Percentage of (1) proved and (2)	100%	EM-MM-210a.2

		probable reserves in or near indigenous land.		
		Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	i. LOM: <ul style="list-style-type: none"> Archaeological Assessment and Land Use Surveys were completed as part of NI 41-101 Feasibility Study completed in 2015 Regular consultations with First Nation groups and First Nation consulting firms are carried out. ii. MB: NA	EM-MM-210a.3
8	Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	i. LOM: <ul style="list-style-type: none"> MQM has relations with Naskapi Nation of Kawawachikamach in Quebec, with regular engagements, meetings, contacts. MQM is soon to sign an Exploration and Pre-Development Agreement in coming months with the help of our First Nation consultants from Wasayao Strategy Group. Through this exploration agreement, the stakeholders will benefit from sharing of traditional knowledge, the protection of previously undiscovered heritage artifacts, and from enhanced economic opportunities. ii. MB: NA	EM-MM-210b.1
		Number and duration of non-technical delays	0	EM-MM-210b.2

9	Labor Relations	Percentage of active workforce covered under collective bargaining agreements	0	EM-MM-310a.1
		Number and duration of strikes and lockouts	0	EM-MM-310a.2
10	Workforce Health and Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees/consultants and (b) contract employees/consultants	-	EM-MM-320a.1
11	Business Ethics and Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Code of Business Conduct and Ethics	EM-MM-510a.1
		Production in countries that have the 20 lowest rankings in Transparency International's	0	EM-MM-510a.2

		Corruption Perception Index		
12	Tailings Storage Facility Management	Tailings storage facility inventory table: (1) facility MQMe, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current number of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP.	0	EM-MM-540a.1
Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities.		<p>Since both the projects are in early/middle exploration and development stages, and since production is yet to start, there are no active tailings or tailings facilities to report. However, when in production, tailings management systems will be constructed.</p> <p>Murray Brook is a historical mine with inactive tailings that are not within the scope of this report.</p>	EM-MM-540a.2	
Approach to development of		NA	EM-MM-540a.3	

		Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities		
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Activity Metrics

1	Production of (1) metal ores and (2) finished metal products	0	EM-MM-000.A
2	Total number of employees/consultants, % contractors	7 total employees; 4 (57%) of which are contracted.	EM-MM-000.B

Social Disclosures

1	Direct Employees/Consultants	Total	3
		Total Permanent	3
		Total Permanent – Male	3
		Total Permanent – Female	0
		Total Permanent – Non-binary	0
		Total Temporary	0
		Total Temporary – Male	0

		Total Temporary – Female	0
		Total Temporary – Non-binary	0
2	Contractors	Total	4
		Total Permanent	4
		Total Permanent – Male	4
		Total Permanent – Female	0
		Total Permanent – Non-binary	0
		Total Temporary	0
		Total Temporary – Male	0
		Total Temporary – Female	0
		Total Temporary – Non-binary	0
3	Turnover	Total	0
		Total Permanent	0
		Total Permanent – Male	0
		Total Permanent – Female	0
		Total Permanent – Non-binary	0
		Total Temporary	0
		Total Temporary – Male	0
		Total Temporary – Female	0
		Total Temporary – Non-binary	0
4	Employee/Consultant Health and Safety	Number of fatalities	0
		Number of work-related injuries	0
		Number of fatalities	0

		Number of work-related injuries	0
6	Health and Safety Management Program		Corporate Health and Safety program doesn't exist as there are minimal field excursions, but contractors have stringent Health and Safety training and personnel on site.
7	Health and Safety Training		Health and Safety training, bound by local provincial and national laws, is undertaken by all personnel working on site, and is supervised by the employers that MQM contracts.
8	Ethics		Anti-Bribery
			Anti-Corruption
9	Diversity and Inclusion	Diversity & Inclusion, Community Relations	<p>A cornerstone of MQM's progress is its function as a team that further depends on the contribution and ability to inspire the trust and confidence of every employee/consultant. To facilitate respect and participation among employees/consultants of the Company, we have implemented the following employment policies:</p> <ul style="list-style-type: none"> • To hire, pay and assign work based on qualifications and performance; • To not discriminate based on race, religion, ethnicity, national origin, color, gender, age, citizenship, veteran's status, marital status, or disability;

			<ul style="list-style-type: none"> • To attract and retain a highly talented workforce; • To encourage skill growth through training and education and promotional opportunities; • To encourage open discussion between all levels of employees/consultants and to provide opportunity for feedback from the top to the bottom and from the bottom to the top; • To prohibit any sexual, physical, verbal or any other kind of harassment; • To make the safety and security of our employees/consultants, while at Company facilities, a priority; • To recognize and reward additional efforts that go beyond our expectations; and • To respect all workers' rights to dignity and personal privacy by not disclosing employee/consultant information, including protected health information, unnecessarily.
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Governance Disclosures

1	Board Structure		Harry Barr – CEO Gordon Chunnet Gary Moore
2	Board Committees		Audit Committee
3	Board/Officer Composition	Total members	5
		Number of executive members	2

		Number of non-executive members	3
		Number of members – Male	4
		Number of members – Female	1
		Number of members – non-binary	0
4	Conflicts of Interest		Code of Business Conduct and Ethics
			Reporting Potential Conflicts of Interest
5	Compensation for Board of Directors	President, CEO, and Director: \$120,000/year	