NextSource Materials Inc. – Whistleblower Policy & Reporting

Effective Date: January 14, 2023

Policy Owner: NextSource Materials Inc. Board of Directors. This Policy is Section 3G of the 2023 01 14 NextSource Corporate Governance Manual (Revised).

The Board of Directors (the "Board") of NextSource Materials Inc. has adopted the Corporate Governance Guidelines (the "Guidelines") and related policies to assist the Board in the exercise of its responsibilities. The Board may modify or make exceptions to the Guidelines and related policies from time to time in its discretion and consistent with the duties and responsibilities owed to the Company and its shareholders. The Guidelines and related policies shall be read and interpreted in conjunction with applicable corporate and securities laws.

Scope: This policy applies to all employees of NextSource Materials Inc. and its subsidiaries, collectively referred to as "the Company". It includes all directors, officers, employees, contractors and consultants, of the Company, collectively referred to as "employees".

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1. Reporting Possible Violations

1.1. The Whistleblower Policy governs the reporting and treatment of reports of possible violations of the Code of Ethics and other policies and procedures.

1.2. The Company's Audit Committee Charter provides that the Audit Committee is to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters,

and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

1.3. The Audit Committee has adopted these procedures as to complaints and submissions regarding accounting, internal accounting controls or auditing matters, and the Governance Committee has adopted these procedures as to all other complaints and submissions regarding the Code of Ethics.

1.4. All reports will be treated as confidential to the extent possible, and only revealed on a need- to-know basis or as required by law or court order.

1.5. Nothing in this Policy in any way detracts from or limits any obligation that those subject to it have in law or pursuant to a management, employment, consulting, or other agreement with the Company or any of its Subsidiaries.

2. When to Make a Report

2.1. You should make a report if you believe that any employee, officer or director of the Company or any agent or representative of the Company, may have or is about to engage in any conduct which you believe may be:

1) A violation of the Code of Ethics and Business Conduct or any internal policy or code of practice,
2) A violation or otherwise involve questionable practices in connection with accounting, internal accounting controls or auditing matters,
3) A violation of any law or regulation,
4) Corruption, mismanagement, or fraud, or
5) A danger to the public or danger to worker health and safety or the environment.

2.2. If you are unsure about the matter but concerned about the possibility of a violation or questionable practice, you should nonetheless report the matter. Delays in bringing the information to the attention of senior management, the Audit Committee or the Governance Committee may cause damage, complications, and irreversible consequences for the Company. Following the steps outlined below will allow the Company to address the issues and ensure that timely remedial action is taken.

3. How to Submit a Whistleblower Report

3.1. You may submit a report to any of the following contacts (refer to our Company website under "Whistleblower Policy" for the respective contact information):

- Chair of the Audit Committee
- Chief Financial Officer
- Confidential and anonymous complaint reporting hotline operated by an independent third-party service provider*

3.2. With respect to matters involving the possible violation of laws or regulations, you also may choose to bring such concerns to an outside regulatory authority. However, the Company is committed to taking internal action in response to employee concerns, and would appreciate the opportunity to do so, if appropriate.

4. Report Follow-up and Investigation

4.1. On receipt of a complaint, the complaint will be reported promptly to the Chair of the Audit Committee. In the case of an oral complaint, the party receiving the complaint is to report it orally and also to prepare a written summary for the Chair of the Audit Committee.

4.2. The Chair of the Audit Committee will promptly commission an investigation and at their discretion, the investigation may be conducted by Company personnel, or by outside counsel, accountants or other persons employed by the Audit Committee.

4.3. The identity of a person filing a complaint will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order.

4.4. On completion of the investigation, an oral and/or written investigative report will be provided to management and the Audit Committee. If any unlawful, violative, or other questionable conduct is discovered, the Audit Committee will cause to be taken such remedial action as the Audit Committee deems appropriate under the circumstances to achieve compliance with the applicable law, regulation, or policy and to otherwise remedy the unlawful, violative or other questionable conduct. The Chair of the Audit Committee will prepare, or cause to be prepared, a written summary of the remedial action taken.

4.5. In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report will be retained along with the original complaint by or under the authority of the Chair of the Audit Committee for a period of four years after the resolution of the matter.

5. Prohibition Against Retaliation

5.1. The Company welcomes the courage and honesty of an employee who voices concern over a particular course of action that he or she believes to be unlawful or harmful. Any attempts to intimidate, threaten, harass, or retaliate against any employee based upon a good faith report made by an employee pursuant to the Code is strictly prohibited and will result in disciplinary action up to and including termination of the person responsible for any such intimidation, threat, harassment, or retaliation.

5.2. However, groundless, or unwarranted complaints – including those with vindictive intent – are not acceptable. Appropriate disciplinary measures will be taken if allegations are initiated for malicious reasons or in bad faith.

6. Governmental or Company Inquiry

6.1. If an employee receives an inquiry from a governmental authority concerning suspected unlawful conduct, they should immediately direct the inquiry to their immediate superior, the CEO, the CFO or other member of senior management. In such circumstances, they should take measures to preserve documents and other items relevant to the investigation. To conceal an offence or to alter or destroy evidence is illegal and may result in criminal prosecution. It also violates the Company's commitment of conducting its business in a legal and ethical manner and is strictly prohibited.

6.2. If an employee receives an inquiry from the Company representative or a Board committee in connection with an investigation under the Code, they are equally obligated to take measures to preserve documents and other items relevant to the investigation.

7. Failure to Comply or File a Whistleblower Report

7.1. The Company is committed to complying with all applicable laws, regulations, and policies. Such compliance is only possible if all directors, officers, employees, and consultants ensure that they follow all applicable laws, and Company policies and guidelines. When in doubt, ask the CEO, CFO, or other members of senior

management. Directors, officers, employees, and consultants who violate the law or the Company's compliance policies or knowingly fail to report a violation of law or compliance policy may be subject to disciplinary action, up to and including dismissal. The nature and extent of the action will be determined on a case-by-case basis. In reviewing the situation, the following is a partial list of considerations:

- The nature and severity of the offence.
- Whether the persons involved acted reasonably.
- The efforts by the persons involved to obtain guidance before the offence occurred.
- Whether the persons involved reported themselves.

7.2. Personnel are encouraged to report their own wrongdoing or possible wrongdoing. This action will be considered when assessing the appropriate discipline, if any. The Company will also recognize situations where a person has made an honest mistake and will take it into account in deciding the course of action to pursue.

8. Enforcement and Discipline

8.1. The Whistleblower Policy extends to all directors, officers, employees, and consultants of the Company and its subsidiaries. All Directors, officers, employees, and consultants will be provided with a copy of this Whistleblower Policy and are required to acknowledge that they have read this Whistleblower Policy when they are engaged or is significantly revised.

8.2. All individuals who violate this Whistleblower Policy may face disciplinary action up to and including termination of employment without notice. The violation of this Whistleblower Policy may also violate certain laws, which could expose directors, officers, or employees to personal liability. If it appears that an individual may have violated such laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

9. Amendment

This Whistleblower Policy may be amended from time to time. Changes to this Whistleblower Policy will be communicated to all persons to whom this Policy applies.

*The current independent third-party service provider is Trusty. Employee's can access the link to submit an anonymous report via the Company's internal intranet.