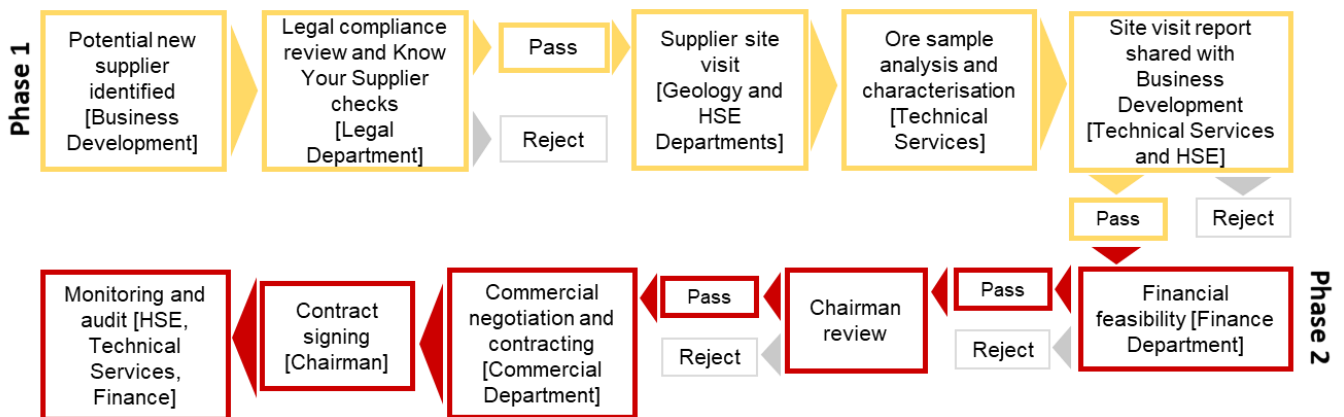




# Minerals supply chain due diligence procedure

V1.0 – January 2020

The diagram below describes the due diligence process for minerals sourced by Chemaf from third parties for its mineral processing operations.



The different due diligence steps are described further below:

PHASE 1	
<b>Supplier identification</b>	Business Development personnel is responsible for seeking new potential mineral suppliers that can be engaged for sourcing ore for Chemaf’s minerals processing operations.
<b>Know Your Supplier checks</b>	Once a potential supplier has been identified, the Legal Department will complete a Know Your Supplier (KYS) checklist to verify information related to the supplier’s operations, including: <ul style="list-style-type: none"> <li>i. Supplier identity</li> <li>ii. Company registration and operating licenses</li> <li>iii. Beneficial ownership and corporate structure</li> <li>iv. Business affiliations, parent companies and subsidiaries</li> <li>v. Watchlist and international sanctions information</li> </ul>
<b>Site assessment visit</b>	If KYS checks satisfy Chemaf’s requirements, a Chemaf team conducts a visit to the supplier’s operations to assess risks present on site. Such visit will include:



	<ul style="list-style-type: none"> <li>i. Verification of all mineral sources being considered for sourcing purposes by Chemaf</li> <li>ii. An assessment of the type (mechanised, semi-mechanised and/or artisanal) and scale of mining operations managed by the supplier</li> <li>iii. A review of potential evidence of serious abuses at the site as defined in Chemaf's responsible mineral sourcing policy</li> <li>iv. Type of security present on site</li> </ul> <p>A site assessment checklist is completed by the assessment team, which is comprised of Geology and Health, Safety, and Environment (HSE) staff.</p>
<b>Ore sample analysis and characterisation</b>	Technical Services oversee an analysis of samples collected at the supplier's site and make a determination on whether the ore can satisfy Chemaf's production requirements.
<b>Assessment reporting</b>	Information compiled during the site assessment visit and the ore sample analysis and characterisation is shared with the Business Development team, who determine whether to proceed with Phase 2.
<b>PHASE 2</b>	
<b>Financial feasibility</b>	If the results of the site assessment and sample results satisfy Chemaf's requirements, the Finance Department completes a financial feasibility assessment.
<b>Chairman review and approval</b>	Results of the financial feasibility assessment are shared with the Chairman for review and a decision on whether to proceed to commercial negotiations and contracting with the new supplier.
<b>Commercial negotiation and contracting</b>	The Commercial Department initiates a commercial negotiation with the supplier. Once completed, a contract or work order document is drafted. Language includes Chemaf's expectations for the supplier to comply with its Responsible Minerals Policy commitments. Included in the commercial agreement is Chemaf's Responsible Mineral Sourcing Policy.
<b>Contract signing</b>	The contract is signed by Chemaf and the supplier.
<b>Monitoring and audit</b>	Supplier activities are monitored on a regular basis by the HSE, Technical Services and Finance teams to ensure ongoing compliance with Chemaf's expectations. Potential gaps related to responsible minerals sourcing are reviewed by the HSE team.



This procedure and the associated processes will be reviewed on a regular basis (at least annually) by the Human Resources Manager and the GM Business Development who are responsible for ensuring that any necessary changes are incorporated. Details of changes will be recorded in each procedure's Document Control table.

	Title	Name	Date
Document owner			
Document approver			

### Document control

Version	Document changes	Date
1.0	n/a	6 February 2020