
	<h1>Supply Chain & Responsible Sourcing Policy</h1>		Number: SOP RPUR-002
Approved By: <p style="text-align: center;">GLA</p>	Date Issued: 08/16/2018	Revision: C Revised 06/01/2022	Page: <p style="text-align: center;">1 of 7</p>

I. PURPOSE

This procedure provides guidance for the control, approval, and review of Alexy Metals external providers of refining materials, refining services and processing of secondary materials.


II. RESPONSIBLE SOURCING POLICY

- *We are aware of and actively supports the international efforts to investigate, monitor and mitigate activities that contribute to illegal armed groups, human rights violations, or financial wrongdoings in gold supply chains as defined in Annex II of the Organization of Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas Third Edition (OECD Guidance).*
- *We respect the dignity and importance of human rights and consider any mineral that may pose risks of contributing the harm listed in Annex II of OECD Guidelines to be “conflict minerals”. We will only purchase gold-containing materials from sources that have been verified as not involving or contributing to illegal armed groups, human rights violations, or financial wrongdoings as defined in Annex II of the OECD Guidance and listed below:*
 - Serious abuses associated with the extraction, transport, or trade of minerals:
 - Any forms of torture, cruel, inhumane, and degrading treatment.
 - Any forms of forced or compulsory labor.
 - The worst forms of child labor.
 - Other gross human rights violations and abuses such as widespread sexual violence.
 - War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
 - Direct or indirect support to non-state armed groups.
 - Direct or indirect support to public or private security forces.
 - Bribery and fraudulent misrepresentation of the origin of minerals.
 - Money laundering.
 - Non-payment of taxes, fees, and royalties to governments.
- *In support of the above, all of our relevant staff members are directed to follow and trained on procedures to implement a conflict minerals due diligence system that aims to:*

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- *Exercise due diligence with relevant suppliers consistent with the OECD Guidance and the Responsible Business Alliance's Responsible Minerals Assurance Process (RMAP) and encourage our suppliers to do the same.*
- *Provide, and expect our suppliers to cooperate in providing, due diligence information to confirm gold in our supply chain does not contribute to illegal armed groups, human rights violations, or financial wrongdoings as defined in Annex II of OECD Guidance.*
- *Ensure our gold supplying counterparties undertake due diligence and risk management consistent with our supply chain policy.*
- *Aim to establish long-term relationships with our immediate suppliers.*
- *Consider ways to support and build capacities of gold supplying counterparties to improve performance and conform to this supply chain policy.*
- *Suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.*
- *Immediately discontinue engagement with suppliers who pose a reasonable risk to be causing severe human rights abuses.*
- *Undergo an annual RMAP assessment to verify our conflict-free status as well as identify opportunities to continually improve our conflict minerals due diligence management system.*
- *Commit to transparency in the implementation of this policy by making available reports on our progress to our customers, relevant stakeholders, and the public (as required).*
- *Support the implementation of the principles and criteria of the Extractive Industry Transparency Initiative (EITI).*

Any concerns about our policy or due diligence system should be reported to Responsible Minerals Initiative through its grievance mechanism that can be accessed at www.alexymetals.com

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III. APPLICABILITY


This procedure is applicable to all Alexy Metals Refining Operations.

IV. RESPONSIBILITIES

- A. The President - Ensures that the requirements of this procedure are implemented and effective.
- B. The President or designee - Maintains awareness of customer and regulatory requirements.
- C. The President or designee - Approves all external providers, purchase orders, ensures external provider performance data is collected, analyzed and action taken when necessary.

V. DEFINITIONS & ACRONYMS

- A. Approved Supplier List (ASL-Refining) **F-RPUR-003** – Listing of approved external providers of refining services and processing of secondary materials.
- B. Approved Customer List (ACL-Refining) **F-RPUR-006** – Listing of approved external providers of refining materials, refining services, and processing of secondary materials.
- C. External Provider – Outside the organizations scope of certification and / or organization that provides materials, product and / or services.
- D. Purchase Order (P.O) – Documented information whether hard copy or electronic that communicates requirements for material purchase, refining services, and/or processing of secondary materials.
- E. International Traffic in Arms Regulations (ITAR)
- F. Export Regulations Administration (EAR)
- G. OECD Guidance Annex 11 -
- H. CAHRA – Conflict Affected and High-Risk Area’s
- I. KYS – Know Your Supplier

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V. PROCEDURE

Alexy Metals ensures that its supply chain and all customer purchased materials conforms to specified requirements and is in conformance to Dodd/Frank Patriot Act, Responsible Minerals Assurance Process, Gold refiner Standard, OECD Guidance, Anti-Money Laundering (AML) Policy, STEP-5, and CAHRA Procedures. Alexy Metals also ensures identification and mitigation of all conflict mineral(s), and supply chain risks. The type and extent of control we apply to the external provider and purchased materials is dependent upon the effect of the purchased product and on subsequent product realization and / or the final product. Alexy Metals ensures when required that both the organization and external provider use pre-approved sources.

A. Risk:

When "Risk" is identified, Alexy Metals manages that risk as deemed appropriate (e.g., selection of a new supplier, additional evaluations, etc.).

B. External Material Provider Criteria (Customer Scrap):


All external providers of material to be refined are evaluated against the following criteria:

1. Refining Form – Form # **F-RPUR-004**
2. Dodd/Frank Patriot AML Form – Form # **F-RPUR-005**
3. Supply Chain policy Statement – Form # **F-RPUR-009**
4. CAHRA Procedure - Form # **F-PUR-012**
5. Step 5 Report – Form # **F-PUR-011**

C. External Provider Approval and / or Disapproval:

1. When a new external material provider has material for refining of precious metals (Customer/Prospect has inquired about our services) and has met one of the above criteria defined in sub-section B and has been approved by the appropriate approval authority they will be added to the ACL – Refining Form # **F-RPUR-006**.

- a. The external provider will be identified with one of the following: approved, denied, or conditional.

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b. The scope of approval (what product and / or service are they providing) will be detailed on ACL-Refining List - **F-RPUR-006**

c. An existing external provider can be disapproved (unacceptable) due to failure to comply with our above criteria, or they submit suspect materials after the initial approval process. If determined they are not in compliance, they are removed from the ACL-Refining list. They can be re-evaluated in the future and approved if above criteria are met and adhered to.


D. Verification of Purchased Product:

1. When material has been provided by an external customer the following will occur:
2. When material is received, it is verified that the material is what was represented such as quantity, precious metal content, material origin, free from foreign debris, etc. and recorded on **F-RPUR-007**.
3. Material is inspected for counterfeit and / or suspect materials.
 - If material is suspected counterfeit or improperly identified, Alexy Metals will follow is Policy & Procedure identifying, assessing (CAHRA Procedure **F-RPUR-012**), and/or rejecting incoming material and returning to source.
4. Received materials that are verified as acceptable are entered into inventory, segregated, and prepared for shipment to approved secondary refineries ASL-Refining **F-RPUR-003**.

E. External Refining Provider Approval Criteria (Secondary Processing):

All external refining providers of material to be refined are evaluated against the following criteria:

1. Completed and approved Supplier Survey: Form # - **F-RPUR-010**
2. Dodd/Frank Patriot Act – Anti money laundering (AML) Compliance
3. Supply Chain Policy Statement: Form # - **F-RPUR-009**
4. Known United States Industrial Smelter / Refiner

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VI. ASSOCIATED DOCUMENTS

- A. **F-RPUR-001:** Purchase Order (Unique Numbering)
- B. **F-RPUR-003:** Approved Supplier List Refining (ASL-Refining)
- C. **F-RPUR-004:** Refining Form
- D. **F-RPUR-005:** United States Patriot Act / AML Compliance Form
- E. **F-RPUR-006:** Approved Customer List Refining (ACL-Refining)
- F. **F-RPUR-007:** Incoming Inspection Report
- G. **F-RPUR-008:** Purchase Order Terms and Conditions (T&Cs)
- H. **F-RPUR-009:** Supply Chain Policy Statement
- I. **F-RPUR-010:** Secondary processing / Refining provider Survey
- J. **F-RPUR-011:** Step 5 Report
- J. **F-RPUR-012:** CAHRA – Conflict Affected and High-Risk Area’s Process
- K. OECD Guidance Annex II Model Policy

