

PRG PLC  
18/2 South Street  
Valletta, 1102, Malta  
Tel: 00389 2 322 0093  
[www.prgplc.eu](http://www.prgplc.eu)

## 1. Introduction

PRG PLC and all of our subsidiaries are a group special metals material science organisation, fast becoming a world class leader for metal refining, alloying, and material science. As an innovation and high technology company, PRG is committed to ethical practices, protecting human rights and preventing bad actors benefitting from the mineral supply chain and business activities.

PRG PLC and our subsidiaries take great care to ensure that our minerals are all sourced responsibly.

## 2. Company Management Systems

The Company management systems contain strong integration with compliance requirements with integrated risk management and the oversight of third party organisations to ensure total compliance with OECD Guidelines. To meet our obligations under the program we utilise information and third party oversight provided by ITSCi, BSP (RSC GLOBAL) and RMI, the Responsible Minerals Initiative, covering the entire supply chain, from mining to refining. Being a fully integrated compliance system, the management system covers all aspects of the Company involvement with any possibly conflict affected or high risk source of minerals and ensures continuous improvement of these systems on a continual basis.

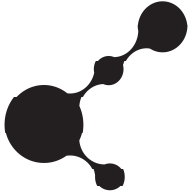
PRG PLC fully supports the position of the Organisation for Economic Co-Operation and Development (OECD) and the Dodd-Frank Act, section 1502 to avoid the use of ores and metals that finance or benefit non state armed groups in known conflict regions. We are devoted to actively support our customers in their requirements the regulations to which they adhere.

The company communicates its supply chain policy and sourcing requirements to all potential suppliers. This policy is updated on a regular basis where guidelines or international policy requirements are updated and may be found here: <http://www.prgplc.eu/#conflictFreeMinerals>  
The Company's CEO, Head of Compliance, and management team directly review the management system which oversees due diligence and risk management activities. Should you have any questions or concerns concerning the Company's conflict free mineral compliance, you can contact the Head of Compliance, Simon Harris, on the number shown here under the link for "Grievances Concerning Conflict Free Minerals.

## 3. Company Risk Assessment in the Supply Chain

The company uses a detailed and highly integrated assessment procedure to evaluate and assess threats in the mineral supply chain. The company ensures that we understand who the beneficial owners involved in a transaction before ensuring that no international sanctions apply against either the involved parties in terms of all the companies involved, as well as the beneficial owners.

The local environment is then assessed on the basis of location to assess the risk level based up 3 international standards and some specialised local reporting in the case of Known Conflict And High Risk Areas (CAHRA's).



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#### 4. Internationally recognised third parties.

Compliance with international standards such as OECD guidelines requires that there should be oversight by third parties and that recognised third party assurance mechanisms may be engaged to support mineral traceability, chain of custody, and general compliance providing third party assurance in addition to the company's own compliance process.

Where minerals are purchased in a CAHRA (Conflict And High Risk Affected) country, the Company utilises these third party validation of mine sites and minerals to provide third party incident reporting, chain of custody control with unique numbered seals against tampering and mine site assurance.

#### Mine site assurance: Sourcing minerals responsibly

Responsibly sourcing minerals is essential to establishing a responsible mineral sourcing program particularly from CAHRA countries. Ensuring that mine sites are legitimately owned and operated and that miners are working freely is essential. Once material is produced the chain of custody must be maintained as is transported for processing and export ensuring, that no bad actors are present at any stage. To achieve this, the Company only deals with sites which are registered and recognised by either of the following organisations.

#### ITSCi -

Website: <https://www.itsci.org/about-itsci/>

- PRG Ltd (Rwanda) a subsidiary involved in mining and trading has been an ITSCi member since August 2018
- PRG Dooel (Macedonia) has been a provisional member of ITSCi as a Tantalum smelter since July 2019 - Currently in pre-audit assessment

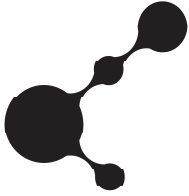
#### BSP - Better Sourcing Program by RSC Global.

Website: <https://www.rcsglobal.com/>

- PRG PLC and subsidiaries have been a member since August 2019 with the first audits on our own mine sites and supply chain taking place in October 2019.

#### Smelter Assurance: Providing assurance to buyers of 3TG minerals

As a company that provide a complete end to end supply chain solution for Tantalum, we also provide end to end conflict free minerals assurance. To achieve this our Smelter is a member of the RMI - Responsible Mineral initiative in full compliance with the Responsible Business Assurance Process (RMAP). The responsible minerals initiative covers smelters working with any of the 3TG minerals supply chain. These minerals being, Tungsten Tin, Tantalum and Gold. Providing a central database which purchasers of the end product can look up to check a smelter and see if a company with which they may partner is known to be an RMI conformant smelter. Like the upstream



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compliance programs listed above, this program is monitored for non conformance involving a detailed annual audit.

RMI - Responsible Minerals Initiative

Website: <http://www.responsiblemineralsinitiative.org/>

- PRG Doel -Full Member since 11/7/2018 Smelter identification number: CID 0002847  
Audit period: 06-11-2019 - 05-11-2019

## 5. Grievance Mechanism

PRG PLC is committed to providing suppliers, customers and the public with transparency concerning our commitment to maintaining a conflict free mineral supply chain, the policies by which we operate, and performance against regulatory frameworks relating to our business. Should you have a concern, grievance, or questions about this process please do feel free to contact our Head of Compliance directly. Contact details can be found here: <http://prgplc.eu/#conflictFreeMinerals>

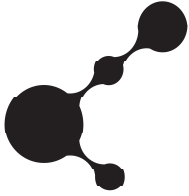
## 6. Performance - Report Year 2019

2019 saw the group developing capacity at both our Smelter (located in Macedonia) and our mines in Rwanda to greatly increase production capacity across the group. At the same time, the group acquired 2 new state of the art facilities' in the UK as part of the acquisition of Metalysis Ltd. These activities took up most of this audit period with facilities' coming back online fully in the current quarter. Resulting in less activity to report in this current audit period

In parallel to the many development and supply increasing activities, the company also took this opportunity to completely re design our management processes. Particularly when it comes to conflict free minerals compliance which has been completely designed and integrated into the new overall quality and assurance system resulting in an extremely robust process well able to support the volumes expected in the coming year.

The new process has now been tested using the initial shipments of material which has resulted in no deviations to report.

Under the risk analysis procedure, it was determined that no material originating from a conflict or high risk area was processed through the smelter during this audit period and the due diligence and PRG PLC is an end to end supplier controlling both mine site, aggregation and refining within one end to end process. The initial testing of the supplier evaluation and risk management procedures have been tested and shown to enable the reliable evaluation of suppliers and stakeholders across the entire supply chain from mine site to refining. The supplier risk management and evaluation incorporates reliable procedures to ensure that the company are very aware of the scope of risk and the identities of beneficial owners and stakeholders required in order to appropriately evaluate suppliers in the supply chain to ensure full compliance with the Company's supply chain policy. All potential and approved suppliers have received the latest version of our supply chain policy and informed of their obligation to comply with its requirements.



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All material supplied from our facilities in Rwanda have been fully compliant with third party traceability programs. We continue to work with the Better Sourcing Program (BSP) and ITSCi to ensure that all materials supplied are conflict free.

Our active smelter in North Macedonia has not processed or acquired any material from conflict affected regions during the period.

Simon Harris

Head of Compliance

1st March 2020 - Next report due March 2020