Conflict minerals policy

**Type of Policy**: Administrative

**Effective Date**: July 2020

**Policy Owner**: E Lion Minerals LTD

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E Lion Minerals LTD is committed to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing through mining activities in E Lion Minerals mining concessions of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict sensitive sourcing practices and suppliers’ risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

# Policy Statement

Sourcing Minerals from war and armed groups affected areas or any other human rights abuse practices is prohibited by E Lion Minerals LTD. This prohibition applies to all the company directors, management, staff and contractors.

Complaints of conflict minerals including but not limited to:

* serious abuses associated with the extraction, transport or trade of minerals
* risk management of serious abuses
* direct or indirect support to non-state armed groups
* public or private security forces
* bribery and fraudulent misrepresentation of the origin of minerals
* money laundering
* risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to government

Any complaints including the above situations shall be addressed as provided in the annex 2 of the OECD due diligence guidance for responsible supply chains

1. **Scope:**

The policy applies to all E Lions Minerals LTD staff and the whole community where the company operates its mining activities.

1. **Policy Terms:**

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| **Community** |  Managers, team heads, all staff, contractors, vendors, visitors, and guests. |
| **Conflict-affected and high-risk areas** | This is the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.  |
| **The Mineral Supply Chain** | The term supply chain refers to the system of all the activities, organizations, actors, technology, information, resources and services involved in moving the mineral from the extraction site downstream to its incorporation in the final product for end consumers |
|  **Due diligence in the mineral supply chain** | Due diligence is an on-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict. Due diligence can also help companies ensure they observe international law and comply with domestic laws, including those governing the illicit trade in minerals and United Nations sanctions |

**5. Procedure: Risk mitigation**

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|  **Security and related issues** |
|  **Risk mitigation** | * Alert relevant central government authority the Rwanda Mines Board of abusive and exploitative practices occurring in the supply chain;
* In areas in which minerals are illegally taxed or extorted, take immediate steps to ensure that upstream intermediaries and consolidators disclose downstream or publicly the payments made to public or private security forces for the provision of security;
* Engage with intermediaries and consolidators to help build their capabilities to document the behavior of security and payments to security forces;
* While sourcing from areas of artisanal and small-scale mining (“ASM”), support the formalization of security arrangements between ASM communities, local government, and public or private security forces, in cooperation with civil society and international organizations, as appropriate, to ensure that all payments are freely made and proportionate to the service provided, clarify rules of engagement consistent with the Voluntary Principles on Security and Human Rights, the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials;
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| **Security and exposure of artisanal miners to adverse impacts** |
| **Risk mitigation** | * Minimize the risk of exposure of artisanal miners to abusive practices, by supporting Rwanda’s efforts for the progressive professionalization and formalization of the artisanal sector, through the establishment of cooperatives associations or other membership structures.
* Develop supplier, customer and transactional red flags to identify suspicious behavior and activities;
* Identify and verify the identity of all suppliers, business partners and customers; report suspicious behavior of criminal activity to local, national, regional and international law enforcement agencies.
* support the implementation of the Extractive Industry Transparency Initiative;
* support the public disclosure, on a disaggregate basis, of all information on taxes, fees, and royalties that are paid to governments for the purposes of mineral extraction, trade, and export from conflict-affected and high-risk areas;
* inform relevant local and central governmental agencies of potential weaknesses in revenue collection and monitoring;
* Support capability training of these agencies to effectively carry out their duties.
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| **Bribery and fraudulent misrepresentation of minerals origin** |
| Risk mitigation  | Ensuring that the boundaries of our concession are well controlled and self-control will engage our security staff’s collaboration with local government and security organs to sustain the origin of our products |
| **Transparency on taxes, fees and royalties paid to government** |
| **Risk mitigation**  | * Support the implementation of the Extractive Industry Transparency Initiative;
* Support the public disclosure, on a disaggregate basis, of all information on taxes, fees, and royalties that are paid to governments for the purposes of mineral extraction, trade, and export from conflict-affected and high-risk areas;
* Inform relevant local and central governmental agencies of potential weaknesses in revenue collection and monitoring;
* Support capability training of these agencies to effectively carry out their duties.
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