

Metallic Resources Inc
Responsible Minerals Assurance Process (RMAP) Annual Due Diligence Report
Reporting Period August 1, 2018 to July 31, 2019

Company Information

Metallic Resources

CID001142

2368 E Enterprise Pkwy, Twinsburg, Ohio.

Metallic Resources is an RMAP- conformant smelter and a leading recycler of tin and tin/lead solder from the electronics industry.

RMAP Assessment Summary

This report covers our latest assessment period from August 1, 2018 to July 31, 2019. The assessment was conducted in February 2020 by Intertek. The assessment summary report is public and available at www.metallicresources.com

Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and or involve other serious human rights abuses in high risk and conflicted affect regions, Metallic Resources developed a supply chain policy. During the assessment, our supply chain policy was reviewed and deemed fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guidance). It covers all the risks identified in Annex II of the OECD Guidance and its geographic scope is global. Metallic Resources is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website at www.metallicresources.com

Company Management System

Management Structure

Metallic Resources follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- The company's President and coordinator are responsible to oversee the due diligence program and risk management design and implementation.
- The company President and coordinator work together with the other department supervisors (purchasing, production, shipping and receiving, etc.) to ensure each department follows up on their roles and responsibilities to implement the due diligence program to report any red flags

and potential risks, gaps in the management system and opportunities for continuous improvement.

- The company conducts a due diligence management system training once a year for key staff from all relevant departments required in due diligence program. If there is an update of the program, additional training will be conducted as necessary.
- The company will continuously improve its supply chain due diligence efforts for the 2019 and prior reporting years through the following:
 - a. Continue to monitor and assess the presence of conflict minerals in its supply chain.
 - b. Enhanced training of all key department to further identify any red flags or the presence of conflict Minerals in its supply chain.
 - c. Responsible Minerals Sourcing Policy developed to clearly define Metallic Resources expectations of the supplier.
 - d. Procedure to identify Conflict Affected and High-Risk Areas
 - e. Procedure to identify and assess red flags and mitigate potential or actual supply chain risks
 - f. Recycled tin due diligence procedure
 - g. KYC Procedure
 - h. Grievance mitigation procedure

Internal Systems of Control

The company has established and updated its due diligence management system to be aligned with the OECD Guidance and RMAP. The company buys secondary material and buyers are aware of the process the material is generated from before purchasing the material, all material is reviewed upon receiving, any material that is out of the ordinary will be evaluated and if found to be a risk will be returned to the customer. A mass balance assessment is completed through the process. The company communicated the updated sourcing policy to all suppliers in February of 2019 and the policy has been posted on www.metallicresources.com The company refers to RMI's grievance mechanism to collect information on grievances from interested parties at <http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/grievance-mechanism/>.

Any grievances that the company is made aware of will be handled on individual basis to remedy the situation and or potential risk.

Record Keeping System

The company requires that all records relating to the due diligence program are maintained at least for five years and that they are properly used and safely stored in our company database.

Risk Identification

Metallic Resources has established a procedure to identify conflict affected and high risks areas (CAHRAs). The procedure includes the resources used, the criteria to define a "conflict affected and high risk" area as well as the frequency with which our determination is reviewed. The company uses the following criteria outlined in Table 1 to determine CAHRAs:

Table 1 CAHRA Identification Resources, Criteria and Thresholds		
Resource	CAHRA criteria	Country is classified as a CAHRA if:
<p>U.S. Dodd-Frank Act</p> <p>Lists countries that pose a risk for presence of armed conflict and widespread violence (Democratic Republic of the Congo) or transit risks (nine surrounding countries)</p>	<p>OECD Annex II risks: Direct or indirect support to non-state armed groups, or public or private security forces</p> <ul style="list-style-type: none"> • Presence of armed conflict and widespread violence (Democratic Republic of the Congo) • Transit risks (nine surrounding countries) 	<ul style="list-style-type: none"> • Listed as a covered country
<p>Heidelberg Conflict Barometer (HCB)¹ provides conflict maps, representing an annual snapshot of the presence of armed conflict.</p>	<p>OECD Annex II risks: Direct or indirect support to non-state armed groups, or public or private security forces</p> <p>Risks evaluated with this resource:</p> <ul style="list-style-type: none"> • Presence of armed conflict • Widespread violence 	<ul style="list-style-type: none"> • Has a national or sub-national ranking of 3 or higher with the HCB in the region of origin (e.g. mine) or transit route
<p>The INFORM Index of Risk Management provides country-level risk profiles relating to humanitarian crises.</p>	<p>OECD Annex II risks: Serious abuses (torture, cruel, inhuman and degrading treatment; forced labor; worst forms of child labor; sexual violence; war crimes)</p> <p>Risks evaluated with this resource:</p> <ul style="list-style-type: none"> • Risks of harm to people • Political instability or repression • Institutional weakness • Insecurity • Collapse of civil infrastructure • Widespread human rights abuses • Violations of national or international law 	<p>[state your criteria]</p>
<p>Worldwide Governance Indicators (WGI), Control of Corruption indicator</p>	<p>OECD Annex II risks: Bribery, fraudulent misrepresentation of the origin of minerals, money laundering, non-payment of taxes, fees and royalties to governments</p>	<ul style="list-style-type: none"> • Scores in the 80th percentile or lower for the most recent Control

¹ If a country is not listed in the Heidelberg Conflict Barometer (HCB), these risks will be evaluated using the Worldwide Governance Indicators (WGI) Political Stability and Absence of Violence indicator. A

<p>WGI reports aggregate and individual governance indicators for over 200 countries and territories over the period 1996–2018, for six dimensions of governance. For the purposes of this procedure, WGI’s sixth indicator, Control of Corruption—capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests—will be evaluated.</p>	<p>Risks evaluated with this resource:</p> <ul style="list-style-type: none"> • Governance, with a focus on corruption or to the extent that public power is exercised for private gain 	<p>of Corruption indicator</p>
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The Compliance Officer will evaluate whether the basis of a high-risk ranking is or is not related to the mining industry based on the OECD Annex II risks. If it is unrelated to mining, then the origin will not be considered a CAHRA at the sub-national. If the basis of a high-risk ranking could be directly or indirectly related to mining, the origin will be considered CAHRA at the sub-national level unless further assessment proves otherwise (and can be substantiated). All potential risk will be reported to senior management by the coordinator.

The company has designed a Know Your Counterparty (KYC) to include information concerning supplier legal status and identify supplier and potential risks. All of the material we purchase from our suppliers is generated from secondary sources. If in the rare occurrence that the company has to purchase material that is considered a conflict mineral the company will conduct a good faith reasonable country of origin inquiry (“RCOI”) regarding the conflict minerals included in the products during the Reporting Period to determine whether any minerals originated in the Covered Countries. The Compliance Officer will identify and evaluate all supply chains for each of the following supply chain elements:

- a. Material origin
- b. Assessing the relationship of suppliers
- c. Know how the material was generated
- d. Identify ownership
- e. Identify related businesses verification checking government watch list

The company’s operations may at times manufacture products for which conflict minerals are necessary to the functionality or production of those products. These conflict minerals are generated from secondary recycled material. If in the rare occurrence that the company has to purchase material that is considered a conflict mineral the company will conduct a good faith reasonable country of origin inquiry

country will be considered a CAHRA if it ranks 60th percentile or lower for this WGI indicator. The 50th percentile was chosen because it appears to align with a 3 ranking under HCB, using Oman, Paraguay, Timor-Lest, United States, Vietnam and others as a reference.

(“RCOI”) regarding the conflict minerals included in the products during the Reporting Period to determine whether any minerals originated in the Covered Countries. If any OECD Annex II risks are identified the company will evaluate each incident and take steps to remedy and reduce the risk. During this reporting period the only red flag identified regarding tin-containing material received by Metallic Resources was Mexico being a CAHRA. The only material sourced from Mexico is secondary material. According to the RMAP standard, secondary material does not require determination of origin of risk analysis. The company ensured the supplier met all requirements specified below, which resulted in no red flags being identified. The results of the company’s RCOI regarding conflict minerals, as well as the company’s additional due diligence regarding the sources of conflict minerals, are contained in this report, which is publicly available at www.metallicresources.com.

Risk Assessment

Metallic Resources has identified Mexico as a risk based on CAHRA id source and criteria table in CAHRA document, Mexico is considered a CAHRA based country because of the presence of:

1. Armed conflict
2. Widespread violence
3. Human trafficking from the Heidelberg conflict barometer

The company receives secondary material from this area and has done its due diligence with regards to the OECD Due Diligence Guidance Supplement by:

1. Assessing the relationship of suppliers
2. Know how the material was generated
3. Identify ownership
4. Identify related businesses verification checking government watch list

The company ensures that it assesses risks on an ongoing basis by working in partnership with suppliers and other stakeholders (e.g. customers, industry) engaged in continuous risk monitoring.

1. RCOI and Due Diligence Process.

The company has conducted a good faith RCOI regarding conflict minerals. This good faith RCOI was reasonably designed to determine whether any of the conflict minerals originated in the Covered Countries and whether any of the conflict minerals may be from recycled or scrap sources, in accordance with the Securities and Exchange Commission (“SEC”). The company’s due diligence measures have been designed to conform to the framework in the Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas: Third Edition, including the related supplements on gold, tin, tantalum and tungsten (the “OECD Guidelines”).

RCOI

Metallic Resources is a leading recycler of tin and tin/lead solder from the electronics industry. Metallic Resources will avoid minerals that directly or indirectly finance or benefit illegal armed groups from conflict effected areas including the DRC and adjoining countries. Management has put into place a program that ensures to the best of our ability that any tin ingot Metallic Resources may acquire qualifying as a “conflict metal” has been traced to its source and has been confirmed to be Conflict-Free from countries where violence is not an everyday occurrence and human rights violations are not

repeatedly reported.

Metallic Resources will only obtain Tin ingots (Sn) from suppliers that are Conflict Free Smelter Program (CFSP) Compliant Tin smelter. Metallic Resources receives documentation from its tin ingot suppliers to verify the tin is Conflict-Free.

Due Diligence

The company's due diligence process is based on the OECD Guidelines. Due diligence measures undertaken by the company during the Reporting Period included the following:

Establish Strong Company Management Systems

Internal Team to Support Supply Chain Due Diligence.

The company has established an internal team to manage the responsible minerals engagement with its suppliers. During the Reporting Period, the company held meetings with the team members to educate them on the SEC's rules regarding conflict minerals and to ensure the timely implementation of the company's conflict minerals programs. This team is responsible for working with the company's employees to provide training and guidance, implement reporting systems and facilitate communication between departments with respect to compliance with the SEC's reporting requirements regarding conflict minerals.

Internal Measures Taken to Strengthen Engagement with Suppliers.

The company's conflict minerals reporting compliance measures are managed at the division level where the supplier relationship exists. Key employees are responsible for managing the conflict minerals, if any, provided by its supply base and for identifying, where possible, the supplier of such conflict minerals in the company's materials or components. The company's due diligence measures have been designed to conform to the OECD Guidelines for Responsible Supply Chain of Minerals from Conflict Affected and High-Risk Areas including the related supplements on gold, tin, tantalum and tungsten. Any potential red flags will be reported to the coordinator who will evaluate all potential risks and report to senior management.

Identify and Assess Risks in the Supply Chain

As discussed above, the company continues to assess its supply chain risks and work with its suppliers in developing greater supply chain transparency.

Design and Implement a Strategy to Respond to Identified Risks

The company is committed to maintaining high standards of corporate responsibility through its compliance. The company is reporting the findings of its RCOI and additional due diligence measures through the preparation of this Report. The company's internal team that manages conflict minerals engagement with the company's suppliers also works to address any significant due diligence findings as they arise and report to the coordinator. The coordinator will report any potential risks to senior management.

Report Annually on Supply Chain Due Diligence

This Report is publicly available at www.metallicresources.com and meet the OECD recommendation to report annually on supply chain due diligence.

2. Due Diligence Results.

The company receive all of its metal from material generated from secondary sources. The company has continued its due diligence with regards to the OECD Due Diligence Guidance Supplement by:

1. Assessing the relationship of suppliers
2. Know how the material was generated
3. Identify ownership
4. Identify related businesses verification checking government watch list

The company will continue to implement and refine its responsible minerals program to improve its supply chain transparency by always knowing what the customer manufacturers and how the material we are buying is generated. If in the rare occurrence that the company has to purchase material that is considered a conflict mineral the company will conduct a good faith reasonable country of origin inquiry (“RCOI”) regarding the conflict minerals included in the products during the Reporting Period to determine whether any minerals originated in the Covered Countries

3. Additional Due Diligence and Risk Mitigation.

Continuous Improvement of Supply Chain Due Diligence

The company will continuously improve its supply chain due diligence efforts for the 2019 and prior reporting years through the following:

- Continue to monitor and assess the presence of conflict minerals in its supply chain.
- Enhanced training of all key department to further identify any red flags or the presence of conflict Minerals in its supply chain.
- Responsible Minerals Sourcing Policy developed to clearly define Metallic Resources expectations of the supplier.
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