



**FINAL REPORT STEP 5**  
**DUE DILIGENCE PRM SpA**  
**2023**

Antofagasta, January 2023

Rita Silva C.

## 1.- Company Information:

Planta Recuperadora de Metales SpA, hereinafter PRM SpA, is a company belonging to a joint venture between LS-Nikko (Republic of South Korea) and Corporación Nacional del Cobre - CODELCO (Chile). The company was established in Chile with the purpose of adding value to the intermediate products generated in the copper refining process. This is how PRM SpA, after a commercial agreement with CODELCO, submitted its Environmental Impact Statement for evaluation, which was approved by the Superintendency of the Environment, in November 2013, giving the green light to the construction and processing plant installation. The plant is located inside the town of Mejillones, in the second region of Antofagasta, starting its processing in the second half of 2016, mainly with the production of Copper Sulfates, Selenium Shot and Dore Anodes, and then continued with the production of Silver Ingots and Gold Ingots. It should be noted that PRM SpA has the company CODELCO as its sole supplier, from where it receives 100% of the raw material it processes, this being a by-product of copper mining, specifically, anodic slime from the electrolytic copper refining process, with a gold content between 0,1% to 0,6% and silver content between 8% a 40%, with othermetals such as copper, selenium, telurium, etc.

Auditee Name	<i>Planta Recuperadora de Metales SpA- PRM</i>
CID Number	<i>CID002919</i>
Facility Address	<i>Sexta Industrial 8147, Mejillones, Antofagasta, Chile</i>
Assessed Material (3TG)	<i>Gold and Silver</i>
Conformance Validity Gold	<i>01/31/2022 - 06/30/2023</i>
Conformance Validity Silver	<i>01/01/2022 - 12/31/2022</i>

## 2.- Summary of Prior Evaluation (Audit):

Date of Last Evaluation RMAP	<i>July 18~20, 2023</i>
Gold Evaluation Period	<i>07/01/2023 - 04/30/2024</i>
Silver Evaluation Period	<i>01/01/2023 - 12/31/2023</i>
Evaluating Entity	<i>SCS Global Services</i>
Type of Audit	<i>RMAP-RMI (Gold) and GDL-LBMA (Silver)</i>
URL to most recent summary	<a href="https://prm.cl/planta-recuperadora-de-metales/wp-content/uploads/2023/08/RMI_RMAP_Report_Final-Closed_2022.pdf">https://prm.cl/planta-recuperadora-de-metales/wp-content/uploads/2023/08/RMI_RMAP_Report_Final-Closed_2022.pdf</a>

### 3. Supply Chain Policy of PRM SpA



#### Planta Recuperadora de Metales ("PRM")

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#### **Policy for a Global and Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas**

Planta Recuperadora de Metales SpA manifests the commitment to maintain a global and responsible supply chain for gold and silver, recognizing that the risks of generating significant negative impacts may be related to the extraction, marketing, handling and export of minerals, from conflict and high risk areas, and accepts the responsibility to respect human rights and to not contribute to the conflicts nor to financial irregularities, as defined by Annex II of the Due Diligence Guidance of the Organization for Economic Cooperation and Development (OCDE) for responsible supply chains of mineral from conflict-affected and high risk areas in its third edition (OCDE Guidance). PRM's commitment includes complying with standards on combatting the financing of terrorism (CFT).

In this sense, PRM SpA, undertakes to adopt, disseminate and incorporate into the contracts and / or agreements with suppliers, this policy of responsible supply of minerals from areas affected by the conflict and high risk; which represents a common reference point for supply practices sensitive to conflict and risk.

Our commitment is to refrain from any action that contributes to the financing of conflicts, and we commit ourselves to comply with the relevant United Nations sanctioning resolutions, or failing that, with national laws that implement such resolutions.

In this regard, with respect to the serious abuses related to the extraction, transport or trade of gold and/or silver minerals, PRM SpA undertakes that in the course of supply activities or when operating in areas of conflict or high risk, will not tolerate, nor for any reason will obtain benefits, nor act to contribute, help or facilitate that any actor commits:

- i. Any form of torture or cruel, inhumane, o degrading treatment.
- ii. Any form of forced labor, defined as any labor or service that is demanded of an individual under threat of receiving punishment and for which said individual has not offered voluntarily.
- iii. The worse forms of child labor.
- iv. Other severe violations to human rights and abuses, such as generalized sexual violence.
- v. War crimes or other severe violations to international humanitarian rights, crimes against humanity, or genocide.

*With respect to the management of the risk of severe abuses, PRM SpA, will immediately suspend or cease interactions with the upstream supplier, when a reasonable risk has been detected that gold and/or silver will be supplied associated with actors that commit the severe abuses defined in the previous paragraph.*

*With respect to the direct or indirect support of non-state armed forces, PRM SpA will not tolerate any direct or indirect support to non-state armed forces, by means of extraction, transport, marketing, manipulation, or exportation of minerals. Direct or indirect support of non-state armed forces, includes, but is not limited to, obtaining gold and/or silver ores, making payments, or providing any other class of assistance in logistics or of equipment to the non-state armed forces groups or their affiliates that:*

- i. Illegally control mining sites, or by any other form, control the transportation routes, trading points, and upstream actors of the supply chain; and/or*
- ii. Illegally collect taxes or extort in exchange for money or minerals at the access points mining sites along the transportation routes or at the points in which the minerals are traded; y/o*
- iii. Illegally collect taxes or extort the intermediaries, companies, exporters, or international traders.*

*With respect to the direct or indirect support of non-state armed forces, PRM SpA will not tolerate any direct or indirect support to non-state armed forces, PRM SpA will immediately suspend or cease interactions with the upstream supplier, when a reasonable risk has been detected that gold and/or silver, will be supplied associated with actors that commit the severe abuses defined in the previous paragraph.*

*With respect to the public and private security force:*

*.- PRM SpA will eliminate direct or indirect support of the public or private security forces illegally control mining sites, transportation routes, trading points, and upstream actors of the supply chain; that illegally collect taxes or extort in exchange for money or minerals at the access points mining sites along the transportation routes or at the points in which the minerals are traded; or illegally collect taxes or extort the intermediaries, companies, exporters, or international traders.*

*.- PRM SpA recognizes that the role of public and private security forces, at mining sites and/or the surroundings and /or along the transportation routes, should only be limited to maintaining the rule of law, including protecting human rights, providing security to mining workers, their equipment and facilities, as well as protecting mining sites or transportation routes from interference that affect legitimate extraction and trade activities.*

- When PRM SpA or any other company in the involved on the supply chain of gold and/or silver, hires the services of security forces, we undertake to requiring that the interaction with such security forces be in accordance with the Voluntary Principles of Security and Human Rights. In particular, we will support or take measures to adopt inspection policies, in order to guarantee that the individuals or units of security forces that are known to be responsible for severe human violations rights will not be hired.

- PRM SpA will support all efforts, or take measures, in order to interact with local or central authorities, international organizations, or civil society, to contribute in finding viable solutions on how to improve transparency, proportionality, and accountability, in payments made to public security forces to provide security.

- PRM SpA will support all efforts, or take measures, in order to interact with local or central authorities, international organizations, or civil society, to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners, when minerals of the supply chain are extracted by means of small scale or artisanal mining activity, to adverse impacts associated with public and private security on mining sites.

*With respect to the management of risks of public and private security forces and according to the specific position of the company in the supply chain, PRM SpA will immediately proceed to design, adopt, and implement a risk management plan with the upstream supplier and other actors, to prevent or mitigate the risks of direct or indirect support to public or private security forces, when a reasonable risk is identified. In such cases, PRM SpA will suspend or terminate interactions with upstream suppliers, after failed attempts to mitigate, within six months of adopting the risk management plan. When a reasonable risk of actions occurring that are not consistent with the previous paragraphs is identified, PRM SpA will act accordingly.*

*With respect to bribery and fraudulent declarations of the origins of minerals, PRM SpA will not offer, promise, give, or demand any bribes, and will resist any requests for bribery that seek to hide or falsify the origin of minerals, to fraudulently declare taxes, amounts, and royalties paid to governments, according to the purposes of the extraction, trade, handling, transportation, and exportation of minerals.*

*With respect to money laundering, PRM SpA will support all efforts with the purpose of contributing to the effective elimination of Money laundering will support efforts to contribute to the effective elimination of money laundering, when it identifies a reasonable risk of money laundering as a result (or connected) with the extraction, marketing, handling, transportation or export of minerals derived from illegal collection of taxes or extortion of minerals at access points to mining sites, along transport routes, or at points where minerals are marketed by the upstream supplier.*

With respect to the payment of taxes, sums and royalties to governments, PRM SpA will guarantee that all taxes, sums and royalties related to the extraction, trade and export of minerals from conflict and high risk areas are paid to governments and, according to the company's position in the supply chain, PRM SpA is committed to disseminating information on such payments according to the principles established by the Extractive Industries Transparency Initiative.

*With respect to the risk management of bribes and the fraudulent declaration of the origin of minerals, money laundering and payment of taxes, sums and royalties to governments, and in accordance with the company's specific position in the chain of supply, PRM SpA is committed to interacting with suppliers, central or local government, international organizations, civil society, and affected third parties, as appropriate, to improve and monitor, in order to prevent or mitigate risks of adverse impacts, using quantifiable measures taken within reasonable timeframes. PRM SpA will suspend or terminate interactions with the upstream provider after failed mitigation attempts.*

In support of the above, the CEO of PRM SpA, appointed the Production Manager, as the Due Diligence Manager, who is responsible for complying with and enforcing the Due Diligence Management System and, consequently, everything described above. In addition, he/she must ensure that:

- PRM SpA acts with transparency in the implementation of this policy making available reports on our progress towards our clients, relevant stakeholders and the public (as necessary).
- PRM SpA provides and requires its main supplier, Codelco, to provide Due Diligence information, to confirm that the material containing gold and/or silver from PRM SpA does not promote conflict.
- PRM SpA supervises and trains all relevant personnel on the procedures and this Policy, of the Due Diligence System for minerals in conflict.
- The Due Diligence report for supply chains is published annually.
- An independent, third-party audit for Supply Chain Due Diligence is conducted once a year.

PRM SpA, declares that the only source of gold and silver comes from anodic slime resulting from the copper refining of our partner company (Codelco). However, in accordance with the OECD Guide and the RMAP and LBMA requirements, PRM SpA also considers implementing processes, in case new sources or suppliers of gold and/or silver material are introduced, which modify the supply chain, which include:

- Incorporation and communication of the Global and Responsible Supply Chain of Minerals Policy from Conflict-Affected and High Risk Areas, in contracts and agreements with suppliers.
- Commit to the exercise of due diligence with the new suppliers, applying the KYC evaluation pillar.
- Establish whether the origin of primary materials with gold and/or silver content comes from a Conflict Affected and High Risk Area (CAHRA), related to the extraction, transport or marketing of gold and/or silver ores.
- Assess whether there are other possible risks associated with the new gold and/or silver supply chains.

Any complaint or concern about our Due Diligence Policy or system should be reported to the Responsible Minerals Initiative through its claims mechanism, which you can access here:

<http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/grievance-mechanism/>

For any internal complaint or concern, whether from PRM SpA workers or supplier companies, please follow the following link:

<https://prm.cl/reclamos-quejas/>



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Ho Cheol Shin  
CEO, PRM

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Policy established on August 1, 2017. Amended on June 10, 2019 in accordance with the Due Diligence Guide for Responsible Supply Chains for Minerals from Regions Affected by Conflict and High Risk, according to OECD guidelines. On April, 2021, the scope of the policy is modified, making it extendable to gold and silver.

<https://prm.cl/#POLITICAS>

All PRM personnel who encounter the raw material (anodic copper slime) have been trained in this policy, thus complying with the RMAP and GDL requirements in this regard. At the same time, 90% of the total direct workers and 90% of the contractor personnel (direct and eventual) have been instructed. The goal of PRM SpA is to train at least 90% of PRM personnel during 2024. Also, the policy has been acknowledged by sole provider, who understood and accepted it as an integral part of the contract between PRM SpA and CODELCO, incorporating in this way, due diligence in legally binding agreements with their direct suppliers. In turn, the policy has been made public within the plant and on the PRM SpA website, so that all internal and external actors have access to it. It should be noted that the policy covers all risks identified in Annex II of the OECD Guide and its geographical scope is global.

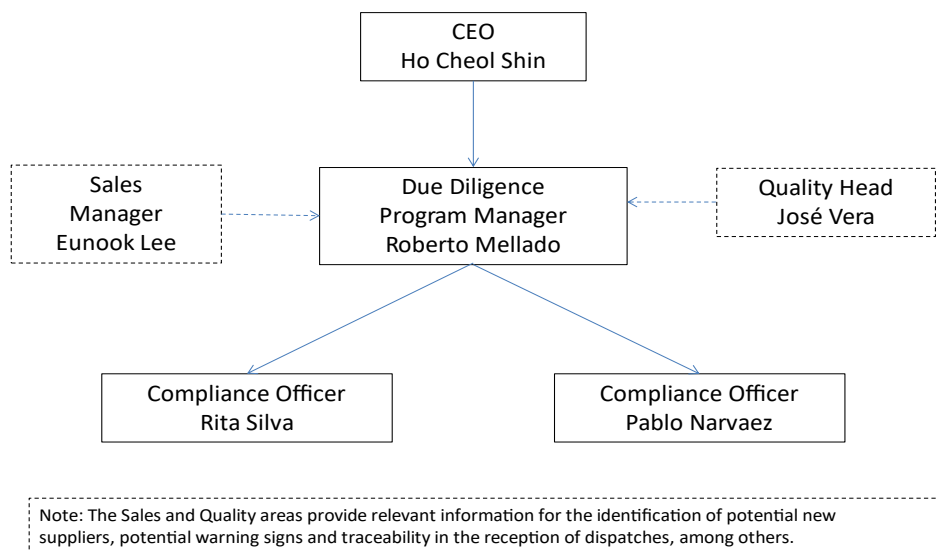
#### **4. Due Diligence Management System**

##### **4.1. Management Structure**

The senior management of PRM SpA, in order to fulfill and enforce the commitments mentioned in the gold and silver supply chain policy, set out to develop a Due Diligence

Management System, for which it created an organizational structure, with functions and clear responsibilities, dedicated to ensuring compliance at all times with the Gold and Silver Supply Chain Policy, which is consistent with the standards set out in Annex II of the OECD Due Diligence Guide, in its third edition.

### Due Diligence Organization Chart



#### 4.2 Roles and Responsibilities

##### General Manager

The General Manager is the maximum authority in PRM SpA and guarantees compliance with the Due Diligence policy in the organization and delivers the guidelines, financing, and structure necessary for its proper compliance.

##### Due Diligence Program Manager

Check that all areas work according to the Responsible Supply Chain Policy for Minerals, coordinating the relevant tasks of the production, processes, quality control, HR, and commercial areas, to ensure that each department implements the due diligence program and reports possible warning signs and potential risks that can be identified. Must be a link to the entire structure and manage the improvements of the system together with the General Manager, when these are necessary.

##### Marketing and Sales Manager

Ensure full compliance with the contract with CODELCO and any other supplier of raw materials in the future, emphasizing the Supply Policy as an integral part of it. With any new



potential supplier, the Sales Manager must ensure that it complies with the requirements of the standard in relation to KYC and CAHRA identification, etc.

Head of Laboratory and Anodic Slime Warehouse

Ensure that all raw material (copper anodic slime), which is received at PRM SpA, comes as according to the CODELCO contract, and guarantee that all reception, inspection and sampling protocols and procedures are met, and alerting the Due Diligence Manager to any deviation in the supply chain and custody.

Compliance officer

Execute the activities necessary to comply with the Responsible Supply Chain Policy and determine, together with the Program Manager, the real or potential risks in the supply chain, evaluating the circumstances, in order to implement Due Diligence measures, to avoid or mitigate any contribution to adverse effects in conflict and high-risk areas.

#### **4.3 Description of Relevant Departments**

With the appointment of a Due Diligence Manager, the company provides the possibility of a fluid coordination of the relevant departments, ensuring that each department monitors its functions and responsibilities in the implementation of the Due Diligence Program and reports on possible signs of alert and potential risks that are identified.

According to this structure, the obligations of the different areas of PRM SpA. involved with the internal control of the supply chain, are specified below:

.- Commercial and Sales Area: Generate, in accordance with the company's legal and internal policies, contracts for the supply of raw materials (in this case, anodic copper slime), for its treatment, establishing the technical and commercial bases of the process to be carried out.

.- Human Resources Area: Ensure that the personnel working inside the process plant are in compliance with all Chilean legal regulations. Maintain control of protocols, both for vehicle access and exits, so that the established security measures are met. Ensure staff competencies.

.- Plant Management Area (Processes): Ensure that the security, reception, and processes areas are in a position to carry out the processing of material safely, with the necessary protocols for the adequate control of raw materials, by-products and finished products.

.- Quality Control and Chemical Laboratory Area: Maintain updated procedures related to the reception, inspection, handling, preparation and analysis of raw materials and keep weighing equipment calibrated and verified. Keep the current NChISO17025.of2017 certification active which accredits the competence of the laboratory to carry out the analysis and tests of the final products of gold and silver ingots.

#### 4.4. Internal Control Systems

Due to the importance of complying with the OECD Guide, RMAP, and LBMA, and at the same time responding to the commitments acquired, PRM SpA has had to take specific actions in this regard. During 2018, a profound modification was made to the Responsible and Global Supply Chain Policy for the Areas Affected by Conflict or High Risk of PRM SpA, together with the creation of an organization chart that will support the Due Diligence, the appointment of a Manager of Program, the implementation of a Due Diligence Management System, the creation and application of procedures that allow the identification of areas affected by conflict and high risk, risk management, internal control and prevention systems, and the incorporation of due diligence in legally binding agreements with its direct suppliers.

In relation to the PRM SpA protocol, the following steps of the control process can be mentioned:

##### Step 1: Communication of the monthly reception program

CODELCO sends by email, a summary form of dispatches to be made during the following month. This information is sent to the Plant Management, Plant Operations personnel, process engineers, surveyor personnel (representative of the supplier in the plant) and quality control area, through the CODELCO Programming Engineer.

Any changes in the program are previously informed to all the interested parties through the same means.

##### Step 2: Confirmation and details of timely shipment

The day prior to the arrival of the shipment of raw materials, CODELCO send through email to all interested parties, a summary of the shipment of copper anodic slime, which includes gross and net weights, preliminary chemical characteristics of the payable and punishable elements, as well as the data of the carrier and license of the vehicle that will carry out the transfer (and escort in case it is so).

##### Step 3: Access Authorization

The quality control area sends an email to the industrial safety department requesting entry of the truck with the described load. In return, said department reviews the background information and authorizes the entry, carrying out all the established protocols to ensure that the indicated load corresponds to what is indicated in the documents and dispatch guide.

##### Step 4: Truck Weighing

Once the truck is entered, it is weighed on the weighing platform and the data is stored and sent to the interested parties for their knowledge and control.

##### Step 5: Inspection and unloading

The inspection and unloading of the product are carried out in the slime warehouse, in the presence of quality control personnel, industrial security personnel, and surveyor personnel. The driver delivers the dispatch guide for his control, which is reviewed and approved. The signed document is delivered to the driver, the security booth checkpoint, and the quality control area for subsequent controls.

#### Step 6: Truck dispatch

Once the truck is unloaded it is taken to the weighing platform to be inspected, all of this being witnessed by industrial security personnel. The printed copy of the record of this task and the dispatch guide are delivered to the driver.

#### Step 7: Custody of documents

Copies of documents are stored in the security booth and the weight control record, upon entering and leaving the checkpoint, is sent via email to the quality control area.

#### Step 8: Weighing and sampling of material

Once in the slime warehouse the units (maxi sack or drums) containing the raw material are weighed one by one, according to procedure GP-P47-R01, "Reception and unloading of anodic slime from trucks".

The sampling of the material to obtain the humidity and the payable and punishable elements is carried out in the presence of surveyor personnel, according to procedure GP-P06 / R01, "Weighing, sampling and humidity determination".

#### Step 9: Conformity of the received material and exchange of laws

The quality control area informs the client, CODELCO, via email of the conformity or non-conformity of the received material indicating the result of the calculation of the preliminary laws of the payable elements.

Quality Control personnel perform the sampling of the received material, through the sampling tower, forming sub-batches and the samples are sent to the laboratory for moisture analysis and sample preparation, in accordance with the provisions of the GP- procedure. P06 / R01; Surveyor personnel supervise and inspect each of these activities. The rest of the material is delivered to operations for processing.

The samples are distributed to the interested parties, CODELCO, PRM SpA, and Surveyor, for the corresponding analysis of the payable and punishable elements; PRM SpA performs these activities according to procedures GP-P03 / R01 and GP-P09 / R01, respectively.

#### Step 10: Chemical characterization of the received anode slime

The chemical characterization of the products is carried out according to the procedures established and accredited under NCHISO17025.of 2017.

Once both parties have the corresponding chemical analyzes available (according to the sample recovered in the PRM SpA sampling tower and sent to CODELCO), the exchange of laws between PRM SpA and CODELCO is carried out.

Finally, and accordance with procedure GP-P07-R01, "Exchange of trials and arbitration", the fines of the payable and punishable elements are obtained for the final settlement.

#### Step 11: Standard compliance of produced ingots

The compliance with the physical and chemical quality standards of the final products are established according to the protocols defined between the parties in the parent contract.

Surveyor personnel is also responsible for the physical inspection of the final products, Gold ingots and Silver ingots, inside the processing plant, and for supervising the shipment process of these products.

#### Step 12: Anomaly detection

In the event of any anomaly detected in the stages of receiving the information, transferring and / or receiving the material, weighing the truck (difference in weights), and / or unloading the material (foreign material) or any deviation in the supply chain and processing of the material, the activity that is being carried out must be stopped immediately and the material under repair must be kept in custody. As soon as possible, form GP-P71-F01 "Claim to Supplier" will be sent via email, in order for CODELCO to carry out the investigation, determine the cause of the irregularity and implement the necessary actions to correct the detected event. Once the actions have been implemented, CODELCO sends the record with cause analysis, implementation of actions and all the documentation related to the problem, so that PRM SpA can evaluate whether it considers it appropriate to continue with the process. If PRM SpA considers that the evidence and the proposed corrective actions make it possible to raise the claim, the processing of slime continues.

If the concerns are related to the origin, the transporter, or the supplier, PRM SpA must identify warning signs and carry out the necessary Due Diligence, according to the identification procedures of CHARA and Red Flags.

#### Grievance Mechanisms

Regarding the complaints mechanism, PRM SpA., Adopts the RMI grievance mechanism <https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/grievance-mechanism/>), for any information, query, claim, or accusation of its interest group and will refer to it to collect information, investigate, respond, and follow up, according to the procedure indicated in this regard (GG-DD-P04) "Complaint Management - PRM SpA Claims" and leaving a record in Form GG-DD-F05 "Complaints and Claims Management Follow-up". In this way, as indicated in the procedure, the compliance officer

will identify the complaint and proceed to register the type of complaint in the form provided for it and will inform the Program Manager, who will form a group to investigate, analyze, respond, and close the cycle, according to its relationship with the origin, the transport route, the location of the supplier, or the violation of human rights, among others, putting into practice due diligence if necessary.

In relation to the internal complaints and complaints mechanism, a procedure has been developed for its own workers and those of supplier companies, anonymously or personally, in which the dissatisfaction of a person with any activity related to Plant can be expressed Planta Recuperadora de Metales Spa or its associated companies, on the PRM website (<https://prm.cl/reclamos-quejas/>).

It is important to mention that PRM considers integrating into its Management System, activities that allow annulment or reduce the risks of reoccurring claims or reports. For this, the causes that deserve to be considered will be identified, according to severity, recurrence and nature of the matter, which will be integrated at least every six months as part of PRM's strategic plans, in the process of continuous improvement applied in its management, processes and relationships.

#### Record Keeping Systems

In relation to the Record Keeping System, PRM SpA requires that all records related to the due diligence program be kept for at least five years, keeping an adequate control of documents and safely stored according to the procedure "Management of Documentation" (GG-DD-P05), in the databases available from the company.

#### 4.5 Identifying Risks

According to the risks referred to in the PRM SpA Supply Chain Policy, the company applies the procedure developed to identify CAHRA (GG-DD-P02). The procedure considers: resources used, criteria to define risks in areas affected by conflict and at high risk, as well as the frequency with which suppliers are reviewed and / or when there are modifications to the PRM SpA supply chain. Within the resources used are the following:

- US Dodd-Frank, which provides the presence of armed conflict and generalized violence or transportation risks, whose threshold indicator of a CAHRA corresponds to whether the origin or transportation is registered in the list of the evaluation method.
- The Heidelberg conflict barometer, which provides conflict maps, with an annual snapshot of the presence of armed conflict and generalized violence, considering a CAHRA if the national or sub-national classification has an index level 4 or higher in the region of origin or transport route of the raw materials of PRM SpA.

- Fragile State Index which uses twelve conflict risk indicators to measure the condition of a state at a given time, providing a measure of the fragility, risks, and vulnerability in economic, political, cohesion and social issues in a country. PRM will consider a CAHRA if an indicator has a score of 8 or more for Chile in the evaluation method.
- The World Governance Index (WGI), which measures the government's ability to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions between them, considering a CAHRA if the Corruption Control index has a percentile of 80 or less for Chile.
- List of the European Union of CAHRA, which provides an indicative list, non-exhaustive, updated on a quarterly basis, of Areas Affected by Conflict and High Risk (CAHRA) worldwide, whose indicator threshold corresponds if the country of origin or the transport route, is registered in the list of the evaluation method.
- Know Your Country Indicator: Provides a measure of a country's corruption risk, with a focus on money laundering and sanctions, being considered a CAHRA if the indicator is below 60 points.

It is considered an alert sign, whenever the commercial registry of the supplier cannot be verified, when the owners or beneficiaries of the supplier are on the UN Sanctions List, when the supplier is listed on sanctions at the country level, when the KYC questionnaire is inconsistent, when the supplier does not accept the responsible Supply Policy of PRM SpA, when the supplier is located in a CAHRA, when the raw material originates or is transported through a CAHRA, when there are discrepancies in the documentation of transaction, when the country of origin has a low volume of production, when the inspection of the material (visual or by chemical tests) does not seem to be what was expected according to the contract.

It should be noted that CODELCO completed the KYC questionnaire, which was reviewed and evaluated by the Due Diligence team at PRM SpA. In this sense, and because CODELCO is a state-owned company, belonging to the State of Chile, the directory corresponding to the year 2022 was compared to the UN Sanctions list, supporting the investigation in the UN Comparison Registry (GG-DD-REG01). CODELCO is a company that maintains a robust Anticorruption Management System, with very clear guidelines and directives in this regard, led by the person in charge of Crime Prevention, Mrs Gracielle Hummel, who works as Corporate Risk and Control Manager.

In relation to origin, and as indicated in the OECD Guide, in its third edition: “The risk assessment in a supply chain begins at the origin of the gold and silver supply”, stating, “For mined gold (or silver), the origin is the same mine, whether it is a small-scale artisanal mine or a medium and large-scale mine. An exception to the above is the **Mining By-product, such as gold and silver obtained from copper mining**, a mineral that is outside the scope of this Guide”. It continues stating, “... **The origin of gold and silver that is a Mining By-product**

should be considered as the point at which the gold and silver trace was separated for the first time from the original mineral (for example, the refinery). In this sense, it should be noted that the supply of gold and silver in PRM SpA is only limited to the recovery of gold and silver from the anode sludge generated in the copper refining process, coming from the supplier's refineries. Therefore, PRM SpA confirmed that each transaction clearly indicated the information of origin, making sure to understand the place, the transport route, as well as the location of the direct supplier, according to the different divisions of Codelco, from which anode slime is supplied, all of which are located in the territory of Chile, as indicated by CODELCO in the declaration of origin, according to:

- .- Chuquicamata Division: Town of Chuquicamata, II Region of Antofagasta
- .- Salvador Division: Town of, III Region of Atacama
- .- Ventanas Division: Town of Ventanas, V Region of Valparaiso

It should be noted that the three divisions of CODELCO have Copper Mark certification (guarantee framework to promote responsible practices in the copper value chain), whose Joint Due Diligence Standard is 100% aligned with the OECD.

The GP-P47 / R01 procedure called "Procedure for Receiving and Unloading Anodic Slime from Trucks" was applied to all supply transactions with CODELCO, carrying out a review and control of all receptions.

In the CAHRA "Identification Form" (GG-DD-F03), corresponding to the year 2023, there is a record of the information collected against the CAHRA and in the "Red Flags Identification Form" (GG-DD-F04), there is a record of the revised warning signs, in order to ensure that the supplier meets the approval requirements. PRM SpA also considers the control, registration, information, and communication, each time gold bars and silver bars are returned to our supplier CODELCO, according to: "Procedure for the Preparation and Dispatch of Shipments" GP-P19/R02.

PRM SpA develops a monthly metallurgical balance of gold and silver, according to "Metallurgical Balance Procedure" GP-lv00 / R02, which shows the closing of the income, inventory, and exit of the metal.

In accordance with aforementioned and the review of resources, the following is obtained:

- .- US Dodd-Frank Act → Does not apply, because material is not provided from the Republic of the Congo, as well as from the nine neighboring countries, origin and transport does not apply.
- .- Heidelberg Conflict Barometer → The Heidelberg conflict barometer for the year 2023 is not yet available, however, for the year 2022 Chile is declared at level 3 in intensity (violent crisis) at the national level. However, it is also indicated that these conflicts are not related

to the mining industry, in which CODELCO and/or PRM SpA may be involved. It also considers these zones to be situated far away from the our supplier's refineries for anodic slime.

.- Fragile State Index → The "2023 FRAGILE STATE INDEX", which provides measures of political instability, insecurity, widespread human rights abuses, violations of national or international law, declares Chile as a "MORE STABLE" country for 2023. It should be noted that of the 12 indicators that this tool evaluates, all are under the 8 points on which a CAHRA is considered, the highest being the Demographic Pressure index with 5,9 points and the lowest, the External Intervention index with 1,1 points.

.- World Governance Index (WGI) → The WGI index is used by PRM SpA to find out how Chile is perceived in Corruption Control issues, and although there is no information for the year 2023, the year 2022 resulted in 80,66. Value above the 80th percentile, indicating that the perception of the extent to which public power is exercised for private benefit, including minor and gross forms of corruption, as well as that of the state by elites and private interests, is in control with respect to the identification criteria of a CAHRA.

.- EU CAHRA LIST → Chile is not mentioned on the European Union CARHA list.

.- Know Your Country Indicator → Indicator that is presented as a measure of the corruption risk of a country, with a focus on money laundering and sanctions, Chile registers with 70.88 points, well above the 60 points, under which it is considered a CAHRA.

During 2023, PRM SpA ensured that all material received was included in CODELCO's monthly delivery schedules, all material dispatch orders were reviewed, it ensured that all material control and inspection protocols were complied with, it reviewed all transit maps of the trucks and ensured that they traveled through the authorized highways in Chile, that the current transport regulations according to the Chilean legislation related to dangerous cargo were complied with, that the stamps of origin of the material could be identified and verified, that the transit trucks could be identified, in other words, PRM SpA mapped the supply chain from the origin of the gold and silver contained in the copper anode mud to PRM SpA, making sure not to identify a CAHRA.

Although the refiner's due diligence must guarantee that fraudulent declarations are not produced to hide the origin of the gold and silver, PRM has verified that the Mining By-products, which it receives at its processing plant, are within the legal framework of the contract between CODELCO and PRM SpA., and do not contribute to conflict or high-risk areas.

On the other hand, as indicated in the Management report corresponding to the year 2023, ([https://www.codelco.com/prontus\\_codelco/site/docs/20240404/20240404191040/memoria\\_codelco\\_2023.pdf](https://www.codelco.com/prontus_codelco/site/docs/20240404/20240404191040/memoria_codelco_2023.pdf) ), Codelco complies with the regulations in force in environmental, health, safety and labor issues. It is also recognized for its collaborative work with the communities where its operations are based.



It should be noted that PRM takes measures to combat threat finance risks and address adverse ESG factors in the refiner's primary silver supply chain.

*In conclusion:*

PRM SpA has developed and implemented a Due Diligence Management System that complies with RMAP-RMI and GDL-LBMA. When applying it, we do not identify CAHRA, confirming that there are no risks of damage within their supply chain. In this sense, and based on the procedures applied and the resources used, we can indicate that Planta Recuperadora de Metales SpA has developed and applied an effective Due Diligence management system, which represents a low risk of damage based on the Annex II of the OECD Due Diligence Guideline, and therefore we conclude that nothing draws our attention to believe that the report on Global and Responsible Supply of Gold and Silver in Conflict-Affected and High-Risk Areas, in all relevant respects, is presented in accordance with Annex II of the OECD Guide in its third edition.

It should also be noted that PRM SpA supports its operation in the Law of General Bases of the Environment of the Republic of Chile No. 19,300 and currently has the Environmental Qualification Resolution RCA No. 359/2013 granted by the Environmental Evaluation Service (SEA), from the city of Antofagasta. Likewise, it has an HSEC area (occupational health and safety of workers, environment and community), which is in charge of managing occupational risks, environmental impacts and community commitments. In this sense, based on the international management models of ISO 14001 and 45000 standards respectively, labor and environmental legal compliance is continually managed, as well as national regulatory systems that protect the life and health of workers and safeguard the environment. For its part, the HR area is responsible for complying with the directives generated in the Labor Code, according to Chilean legislation for the benefit of workers, and on the other hand, community development works under the pillars of education, of local work, social commitment and sport, with 2023 being a year of great progress in this regard.