

Tungsten Industry - Conflict Mineral Council Framework

Our Commitment

As highlighted by the OECD¹, in conflict-affected and high-risk areas, companies involved in mining and trade in minerals have the potential to generate income, growth and prosperity, sustain livelihoods and foster local development. In such situations, companies may also be at risk of contributing to or being associated with significant adverse impacts, including serious human rights abuses and conflict.

The Tungsten Industry—Conflict Minerals Council (TI-CMC or “the Council”) is a framework through which its members can provide industry stakeholders, downstream tungsten consumers with conflict mineral reporting and disclosure obligations as well as the public at large with their assurances that the tungsten products they supply are conflict free.²

As an industry, it is our responsibility to educate, advocate and offer expert recommendations and solutions on topics related to our sector. The TI-CMC is a global industry initiative that has been endorsed by the Refractory Metals Association (RMA) and the International Tungsten Industry Association (ITIA).

The TI-CMC takes into account the “Specifics of Tungsten,” as described below, and recognizes that refiners in the industry that process tungsten raw materials play an essential role in ensuring that tungsten is conflict free. At the same time, the TI-CMC considers all suppliers and the members of the underlying supply chains as valuable stakeholders in the overall process that leads to the success of the sector.

The TI-CMC supports and is intended to be consistent with the activities of the Organization for Economic Co-operation and Development (OECD) with respect to conflict minerals as laid out in the

1 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, July 2011, available at: <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

2 On August 22, 2012, the U.S. Securities and Exchange Commission adopted the final rule relating to the use of conflict minerals which had been promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, available at: <http://www.sec.gov/rules/final/2012/34-67716.pdf>

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

TI-CMC collaborates with the Conflict-Free Sourcing Initiative (CFSI), which provides auditing according to the Conflict Free Smelter Program (CFSP) Supply Chain Transparency Smelter Audit Protocol for Tungsten³ as additional voluntary validation of self-declaration for TI-CMC members. This offers TI-CMC Category A member companies immediate recognition under the CFSI and inclusion into the CFSI Conflict Mineral Reporting Template (CMRT). The CFSP tungsten audit protocol has been adapted jointly by CFSI and TI-CMC to meet the realities of the tungsten supply chain.

TI-CMC has the following classes of membership:

- Corporate Membership:

Corporate membership for a firm, corporation, or division that is a smelter, refiner, or a similar type of primary production facility able to convert concentrates and/or secondary raw materials into metallic or refined tungsten, APT, ferrotungsten or tungsten reagents, and other products that can directly be used by downstream consumers.

Corporate membership is either category A (with CFSP validation) or category B (without CFSP validation).

- Supporting Members:

Any firm with a stake in the use of tungsten products or powders is eligible to join the Council as a non-voting Supporter

The Specifics of Tungsten

The raw material sources and production methods of our industry are commodity-specific and show distinct differences to other metallic raw materials; and these specifics have been taken into account during the design of the industry-wide approach to conflict mineral policies.

- ✓ More than 80% of the primary raw materials (ore concentrates) are produced in China; and China is also home to most of the refinery-level operations.
- ✓ The first conversion step from concentrates (or scrap / secondary raw material) is capital-intensive, requires complex technology and advanced infrastructure. Therefore, the refinery step creates a natural bottleneck between the large number of small mining operations and the numerous downstream applications of the metal. There are approximately ten refinery-level operations outside China.

³ Conflict-Free Smelter Program (CFSP) Supply Chain Transparency Smelter Audit Protocol for Tungsten available at <http://www.conflictreesmelter.org/cfshome.htm>

- ✓ Statistics by ITIA and USGS⁴ demonstrate that only a very small portion of the annual tungsten feed into the downstream industry comes from mine production in the “covered countries”⁵ as defined by the SEC, and only a fraction of this might come from mines truly supporting conflict. According to ITIA, total production from all of Africa was around 1200t of W in concentrates, less than 1% of the annual supply of tungsten, respectively less than 2% of the primary mine production. According to the USGS, production from the DRC in 2009 was around 0.5% of the world primary mine production and a significant part of this comes from non-conflict zones.
- ✓ The tungsten industry encourages recycling as a sustainable practice to preserve raw materials. Approximately one quarter of the overall tungsten supply is obtained from tungsten-bearing scrap (secondary raw materials) and not mines; in the United States and Europe, the current recycling rate is estimated at 50%.⁶

Additional insight into tungsten sources, production and downstream application is found in Exhibit 1.

TI-CMC Framework

In order to be eligible to be recognized as a TI-CMC compliant member, the company must agree to implement a supply management system that includes:

- ✓ Establishing a corporate *Supplier Code of Conduct* or similar document that includes a non-conflict statement
- ✓ Contractually obligating suppliers to follow the *Supplier Code of Conduct* of the TI-CMC member and eliminating any non-responsive or non-compliant suppliers
- ✓ Training employees to follow the company’s supply management system, including its *Supplier Code of Conduct*
- ✓ Nominating individuals responsible for implementation of the supply management system and *Supplier Code of Conduct*
- ✓ Conducting regular site visits and assessing suppliers; and
- ✓ Providing for an internal mass balance system, comparing intake of raw materials and production / sales / stock balance.

⁴ See Thomas R. Yager, “The Mineral Industry of Congo (Kinshasa),” Jun 2012. U.S. Geological Survey, available at: <http://minerals.usgs.gov/minerals/pubs/country/2010/myb3-2010-cg.pdf> , and USGS commodity information about tungsten under <http://minerals.usgs.gov/minerals/pubs/commodity/tungsten/> .

⁵ As defined in SEC Final Rule, “covered countries” are the Democratic Republic of the Congo (DRC) and its nine adjoining countries

⁶ According to USGS, in 2010 an estimated 37% of U.S. tungsten consumption was produced from recycling of tungsten-containing scrap generated in the US: secondary raw materials. K.B. Shedd, 2010 Mineral Yearbook: Tungsten (Advance Release), Jan 2012. U.S. Geological Survey., available at <http://minerals.usgs.gov/minerals/pubs/commodity/tungsten/myb1-2010-tungs.pdf> .

- ✓ Commit to completing a CFSP validation audit within 2 years of being granted TI-CMC category A membership

Given the overall insignificant amount of tungsten from the Democratic Republic of Congo (DRC) and the adjoining countries (the “covered countries” as defined by the SEC ruling), it is reasonable to rely on representations of suppliers unless red flags are raised during a supplier assessment or in the course of supply. Red flags would include:

- ✓ Missing, incomplete or altered shipping/export/tax documents
- ✓ Apparent discrepancies between annual output of the refinery and known supply streams
- ✓ Presence of coarse-grained panning concentrates when the company has no artisanal suppliers
- ✓ Other abnormal circumstances in a transaction that would indicate that raw materials were obtained from a source other than that declared by the supplier

Following the expectations identified in the OECD Due Diligence Guidance, independent third party OECD Due Diligence conformance audits of the supply-chain are required when sourcing minerals with country of origin from the DRC and the adjoining countries.

A flow-sheet for TI-CMC assessment is provided in Figure 1.

A TI-CMC compliant company should regularly review the compliance of its feed streams with the provisions of this framework and, on an annual basis, establish a summary report on its assessment activities and measures to assure ongoing compliance with TI-CMC. A member company is required to notify the TI-CMC administrator when a change in feed material results in a change in compliance of those feed streams to the provisions of this framework (such as sourcing from any of the covered countries).

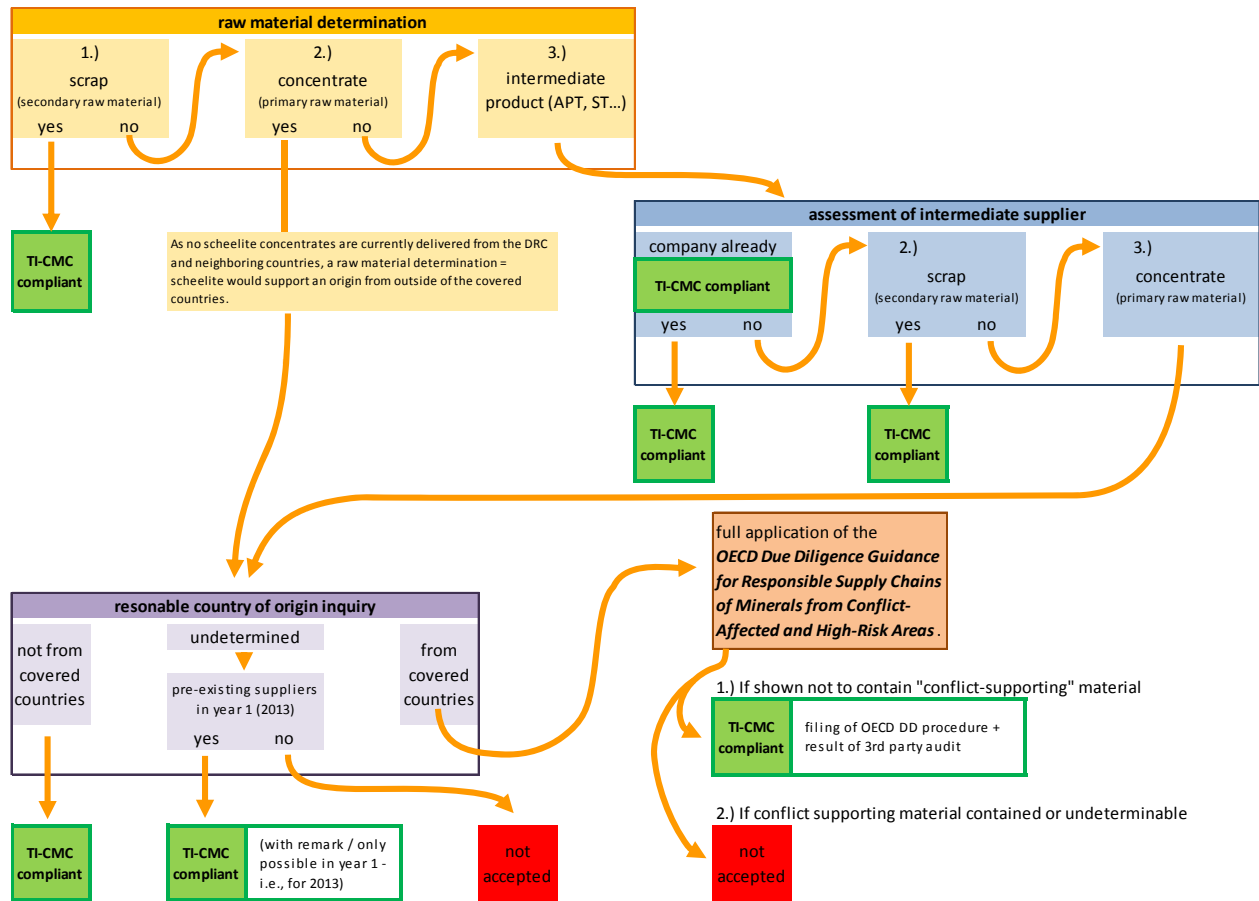


Figure 1: Flow-sheet for an assessment in line with the TI-CMC

Guidelines

STEP I - Determination of Nature of Feed Material and Reasonable Country of Origin Inquiry

For all refiner feed streams, the company would

- 1.) establish the category of the feed material:
 - a. scrap / secondary raw material
 - b. ore concentrates
 - c. intermediate products (APT, Sodium Tungstate, artificial scheelite)
- 2.) if feed = scrap / secondary raw material → **material is TI-CMC compliant.**
- 3.) if feed = concentrate **go to** Reasonable Country of Origin Inquiry (RCOI).

If RCOI indicates origin of all concentrates are outside of the “covered countries”; then → **material is TI-CMC compliant,**

If origin for any concentrates remains uncertain, **go to** STEP II for the relevant portion of the feed material.

If origin for any concentrates is from the “covered countries”, **go to** STEP III for the relevant portion of the feed material.

- 4.) If feed = intermediate product →

If intermediate products bought from “refinery-level” company subscribing to TI-CMC or is CFSP compliant, then no further inquiry required → **material is TI-CMC compliant.**

If intermediate products bought from “refinery-level” company that has not (yet) adopted TI-CMC, then conduct nature of feed inquiry and then RCOI (return to point 1)

- 5.) If refiner is a CFSP compliant smelter, then → **material is TI-CMC compliant**

In any case, the company retains the right to audit or to commission an independent audit of its suppliers.

Instructions / Background information:

Establish nature of feed

- ➔ Assurances made by Suppliers that all or part of the materials is based on scrap material supported with supplier documentation, customs declarations, invoices.
- ➔ Refiner intake analysis

- ➔ Scrap (secondary raw material) and intermediate materials have distinctly different chemical compositions and physical appearances than ore concentrates, partially processed ores or by-products from other ore processing.
- ➔ Customer right to audit or to engage independent auditor (if reasonable grounds to doubt determination)

Secondary Raw Material

Recycling of metals wherever possible is a sustainable initiative to promote resource conservation, and with few exceptions, it is technically impossible to deduce the origin (mine and time period) of the underlying raw material of material now treated as secondary raw materials. Therefore, secondary W-containing materials (“scrap”) as defined by the OECD guidelines are excluded from the requirement to demonstrate the ore source of origin.

OECD definition:

Metals reasonably assumed to be recycled are excluded from the scope of this Guidance. Recycled metals are reclaimed end-user or post-consumer products, or scrap processed metals created during product manufacturing. Recycled metal includes excess, obsolete, defective and scrap metal materials which contain refined or processed metals that are appropriate to recycle in the production of tin, tantalum, tungsten and/or gold. Minerals partially processed, unprocessed or a bi-product from another ore are not recycled metals.

Examples of secondary raw materials falling under this definition include:

- *Soft scrap - examples include hardmetal grinding sludges, off-spec tungsten-bearing “ready-to-press” powder...*
- *Hard Scrap - examples include used mining bits, cutting inserts, wear parts, weights, rolls and other tungsten bearing parts...*

Reasonable Country of Origin Inquiry

Elements of Reasonable Country of Origin Inquiry may include but are not restricted to the following:

- ➔ Assurances from supplier – commitment letters, certifications, declarations, documentations, certificates of origin, customs papers, contractual obligations (reps and warranties); in case of producers of intermediate products: possible listing under TI-CMC or CFSP compliant refiners.
- ➔ Supplier assessment by company, independent third party audit programs such as CFSP, site visits plus document review; taking note of possible “red flags.”

- ➔ Customer right to audit or to engage independent auditor (if reasonable grounds to doubt determination). Auditable information – purchase order or contract with source, bill of lading, and import records. Due regard given to confidential information (redacted if customer audit).

STEP II – Origin Undetermined

The majority of the tungsten supplies comes from well-known, larger-scale industrial mines. In general, unless the supplier is non-responsive, it is unlikely that a RCOI will not return a definite answer to whether or not the feed material comes from the “covered countries”.

Therefore, for a non-responsive supplier material that continues to be supplied after January 1, 2013 will be labeled temporarily as “origin undetermined”, and the supplier will be asked to provide adequate input into the RCOI during the year of 2013. If adequate input for an RCOI is provided, the material will become TI-CMC compliant under step I or OECD compliance through due diligence under step III will be required.

- ✓ If the supplier is unable or unwilling to provide adequate input into the RCOI, supply from this supplier will be phased out in 2013, and the material obtained by that time will remain labeled as “origin undetermined”.
- ✓ If material continues to be supplied by a non-responsive supplier, that will be a basis for termination of TI-CMC membership.

STEP III – Origin from the DRC or Adjoining Countries

If RCOI determines that concentrates originate from the DRC or adjoining countries (“covered countries” in the sense of the SEC rules):

The Company

- ✓ Reports that a part of its intake of concentrates originates from the DRC or the adjacent countries to the TI-CMC program administrator;
- ✓ Applies the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* on the portion of its supply pertaining to this definition; This includes the necessity of 3rd party auditing as per OECD guidelines;
- ✓ Reports the full outcome of the review under OECD guidelines to the administrator; and
- ✓ Reports on its Due Diligence and makes the findings of the 3rd party audit available to the public.

If the 3rd party auditor concludes that the company meets the requirements of the OECD guidance, the **material becomes TI-CMC compliant**. The audit should be repeated in bi-annual intervals unless the company changes its supply policy or sourcing strategy in any material way, upon which a re-audit should be undertaken as soon as reasonably possible.

Membership of the smelter-level facility in iTSCi (ITRI Tin Supply Chain Initiative) or a CFSP validation audit that has been concluded while the company was sourcing from the Covered Countries are considered to demonstrate that the company meets the requirements of the OECD guidance including the relevant 3rd party audit requirements.

Other Provisions

Toll Conversion

Due to the complexity of the process and to balance capacity constraints, toll conversion is a common feature in the tungsten industry: For a fee, a “refinery level” company will process raw materials, often scrap, supplied and owned by another company. The amount of tungsten in the batch will generally slightly decrease (recovery of individual processes is generally below 100%). For example company A sends a batch of scrap containing 4000kg of W to company B and receives after toll conversion 3800kg of W in form of APT against a conversion charge of USD X per kg of W redelivered.

The following rules shall apply to toll conversion:

- ✓ Any “refinery-level” company adopting TI-CMC must apply TI-CMC rules as laid out above under steps 1 to 3 when providing tolling services to an unrelated third party, i.e., all feed to its own refining operations is “non-conflict” and covered by adequate scrutiny with respect to determination of material type and Reasonable Country of Origin.
- ✓ If conflict free material (compliant under TI-CMC) is sent for toll conversion to another “refinery level” operation owned by an unrelated third party, then the product returned is presumed conflict free.

TI-CMC Registration and Reporting

The Tungsten Industry’s Conflict Mineral Commitment (TI-CMC) program is based on a voluntary commitment by a tungsten refiner to adopt, implement and adhere to the TI-CMC principles and framework, which includes self-assessments and reporting on progress.

The TI-CMC focuses on “smelter-level” companies as Corporate Members. In the case of tungsten, “smelter-level” generally means a “refiners”. A “smelter-level” refiner is a company with one or more facilities with the ability to convert tungsten containing ores (such as wolframite and scheelite), tungsten concentrates, or tungsten bearing scrap (secondary material) into tungsten containing intermediates such as Ammonium Para-Tungstate (APT), Ammonium Meta-Tungstate (AMT), ferrotungsten, and tungsten oxides and other products that can directly be used by downstream consumers for direct sales or further processed into tungsten containing products (such as W powder or W-carbide powder).

TI-CMC invites any other company with a vested interest in the use of tungsten products or powders downstream of the “smelter-level” to become a Supporting Member, and as such, to acknowledge the important role TI-CMC is playing to encourage the conflict-free supply of tungsten into the downstream supply chain.

To be listed as a company that supports and adheres to TI-CMC, the individual company must sign the TI-CMC letter of commitment (Exhibit 2), available at: [www.ti-cmc.org], and submit it to the attention of the TI-CMC administrator. The letter should be printed on official company letterhead, if available, and signed by the company’s President, Chief Executive Officer, or other official with the authority to sign on behalf of the company.

By signing the letter of commitment, the company agrees to implement the TI-CMC framework within its organization.

Together with the application form, the company will provide:

- A Commitment to Conflict Free Sourcing (Conflict-Free Policy), which should be publically available on the company’s web page.
- A copy of the Supplier Code of Conduct or statement in procurement documents relevant to conflict-free sourcing.
- A General Outline of the Company’s policies and efforts to assure conflict-free sourcing and their implementation in day-to-day operations , including implementation of and commitment to TI-CMC. This should include an account of planned initiatives and forward looking changes of the supply strategy with respect to conflict minerals (if any).
- In case the company sources from the ‘covered countries”, the results of an independent (3rd party) audit confirming that the company’s sourcing policy complies with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The company submits annually a self-assessment to the TI-CMC administrator, providing an account of its activities with respect to conflict-free sourcing by only processing materials which are TI-CMC compliant as defined in the Guidelines.

The company will also provide annually a self-declaration reporting the origin of its raw materials, based on RCOI, retroactively on an annual basis (with the first such statement due upon application), and with RCOI to consider only supplies from the Covered Countries and Mozambique, South Africa and Kenya after 31 January 2013 in the following classification:

- [a] Only secondary raw materials (recycling of scrap)

- [b] Supply (direct or through intermediates) includes mined ore from countries outside of the Covered Countries and Mozambique, South Africa or Kenya.
- [c] Supply (direct or through intermediates) includes mined ore from countries outside of the Covered Countries but including Mozambique, South Africa or Kenya.
- [d] Supply (direct or through intermediates) includes mined ore including supplies from the Covered Countries, but excluding the DRC.
- [e] Supply (direct or through intermediates) includes mined ore from the DRC.

Annual reporting of activities and the RCOI outcome shall be on basis of calendar years in order to match the requirements of the SEC reporting schedule. A form to facilitate reporting (Exhibit 3) can be found on the TI-CMC website [www.ti-cmc.org]. Forms are to be submitted at latest by 31 March of each year.

Corporate Members that change their sourcing policy with respect to the country of origin classes [a] to [e] listed above are required to provide an updated RCOI statement within two weeks of that decision and in any case before the first deliveries are received at the smelter site. Should a smelter start sourcing from the “Covered Countries”, it is required to provide proof of OECD compliance within six months of the first deliveries.

The signed letters of commitment will be posted on the website.

In addition, the following information will be posted on the TI-CMC web page: Company name, Non-Conflict Policy, membership category and issuance date of membership.

An annual fee of USD 2500 shall be payable by the company to the TI-CMC administrator for the purposes of administering the TI-CMC program for each year that the company remains listed. A reduced fee of USD 1500 will be levied from companies located in countries with more than 5 smelter-level companies.

A company may request at any time to have its name removed from the TI-CMC directory. The administrator shall remove a company from the TI-CMC company directory in the event that a company fails to submit a report on progress as required by TI-CMC or upon the failure to pay its annual dues. In addition, the administrator may remove any company from the TI-CMC directory in accordance with the delisting procedures in the event a company disregards its commitment (e.g., the company is named or sanctioned by a government authority due to its sourcing practices or activities).

“Unified Approach” – Validation by CFSP

In collaboration with the CFSI, TI-CMC encourages its corporate members to undertake voluntary independent validation in line with the Conflict Free Smelter Program (CFSP). This provides validation that is widely-recognized by the downstream industry.

Together with its application for TI-CMC membership, a company seeking category A membership must commit to undertake a CFSP audit within 2 years of enrolling with TI-CMC as determined by issuance of TI-CMC membership. Prior to the end of that initial 2 year interval, the company is expected to complete and pass its CFSP compliance audit in cooperation with CFSI.

Upon issuance of its TI-CMC membership as a category A member, the company will be listed by the CFSP as “TI-CMC Category A member in-progress toward CFSP validation” on the CFSI website and for use in the CFSI Conflict Minerals Reporting Template and similar reporting tools, as long as the company remains a TI-CMC member, works towards CFSP compliance audit, and for a maximum of two years.

A company that fails to complete and pass the CFSP audit in the 2-year time period or becomes unresponsive and thus, is removed from the “TI-CMC Category A member in-progress toward CFSP validation” listing of CFSI cannot be re-listed as category A member before it has completed CFSP auditing and been found CFSP compliant.

Once a TI-CMC category A member company completes and passes its initial CFSP validation, their CFSP compliant smelter status is valid for three years as long as the TI-CMC membership remains active and unless the company uses feed from the Covered Countries in its upstream supply chain, in which case yearly CFSP re-audits are required.

Timely interaction with the CFSI regarding the CFSP auditing is the responsibility of each individual member.

A Living Document

A working group comprised of representatives of tungsten companies, a CFSI representative, the TI-CMC program administrator and with advice of legal counsel will periodically review the development of the supply streams and other industry matters relevant to the TI-CMC, and update the framework whenever deemed necessary. This may occur, for example, due to changes in legislation, regulations or the situation in the DRC or other areas affected by conflict.

TI-CMC is committed to ongoing cooperation with CFSI with respect to validation of the non-conflict status of its category A members through CFSP auditing.

(issued April 2013, amended November 2013, and November 2014)

Exhibit 1:**About Tungsten**

Tungsten or Wolfram is the 74th element in the periodic table under the symbol W. The name tungsten comes from Swedish *tung sten* meaning heavy stone and Wolfram originates from German *wolf rahm* meaning wolf's froth. Tungsten has some unique properties making tungsten indispensable to a wide range of products that require hardness, high density, high wear and high temperature resistance.

Properties and Applications

Tungsten is extremely hard, very dense and next to carbon it has the highest melting point of all elements (3422°C), the lowest coefficient of expansion the highest tensile strength and the lowest vapor pressure. Tungsten finds its use in a wide range of products ranging from tools for the production of cars, planes, trains and circuit boards, light bulbs, cell phones, dentist drills, darts, golf clubs to jewelry, huge mining drills, power plants and nuclear reactors.

Primary Raw Materials – Tungsten Mining

Tungsten occurs in nature as Wolframite; a very brittle, brown to black mineral (Fe,MnWO_4) and Scheelite a milky white mineral (CaWO_4). China currently holds more than 60% of the world's known tungsten reserves. Other countries with significant known tungsten resources include Russia, Canada, Kazakhstan and the US⁷. China is also responsible for the largest fraction of tungsten mine production (~80%). Tungsten is currently also mined in Canada, Russia, Austria, Spain, Portugal, Peru, Vietnam, Thailand, Columbia, Bolivia, Brazil and several countries in Africa including Rwanda, Uganda, Burundi and the Democratic Republic of the Congo (DRC). Tungsten is mined from deposits containing 0.2%-1.5% WO_3 . The tungsten is concentrated at the mine to an ore concentrate containing 30-73% WO_3 which is then sold to tungsten refiners.

Tungsten Production

Wolframite and Scheelite cannot be readily melted into a pure tungsten metal as is the case for most other metals but requires methods that are more sophisticated. Ammonium Paratungstate (APT), a white powder produced by chemical processing of ore concentrate is the most important precursor for the majority of tungsten products. Other primary products from ore concentrate include ferro-tungsten produced by high temperature fusion, which is a master alloy for the production of tungsten-containing steels. APT is used for making W oxides, W carbide and tungsten metal powders that all can be further treated to making various parts and products.

⁷ US Geological Survey, Minerals Commodities Summary: Tungsten, January 2012, available under <http://minerals.usgs.gov/minerals/pubs/commodity/tungsten/mcs-2012-tungs.pdf>

Tungsten as a Conflict Mineral

Statistics by ITIA and USGS demonstrate that mines in the “covered countries” as defined by the Security and Exchange Commission supply only about 1% of the annual tungsten feed into the downstream industry, and only a fraction of this might come from mines truly supporting conflict. Most of the production from the “covered countries” is from artisanal and small scale mining operations. Significant efforts to assure traceability of production from these mines have been undertaken by various international, public and industry organisation. This has been highlighted by the semi-annual OECD-ICGLR-UN GoE multi-stakeholder meetings.

Because tungsten cannot be readily processed by melting or other simple processes, all tungsten leaves the “covered countries” as concentrate. Thus, scrap and other secondary raw materials are *Conflict Free Tungsten sources*.

Wolframite often occurs together with Tin; one of the other Conflict Minerals whereas Scheelite is not known to exist in the Conflict Region and scheelite can therefore be classified as a source of *Conflict Free Tungsten*.

Tungsten raw material in-take and end-use distribution in 2011 (scaled)

(based on statistics of USGS and ITIA)

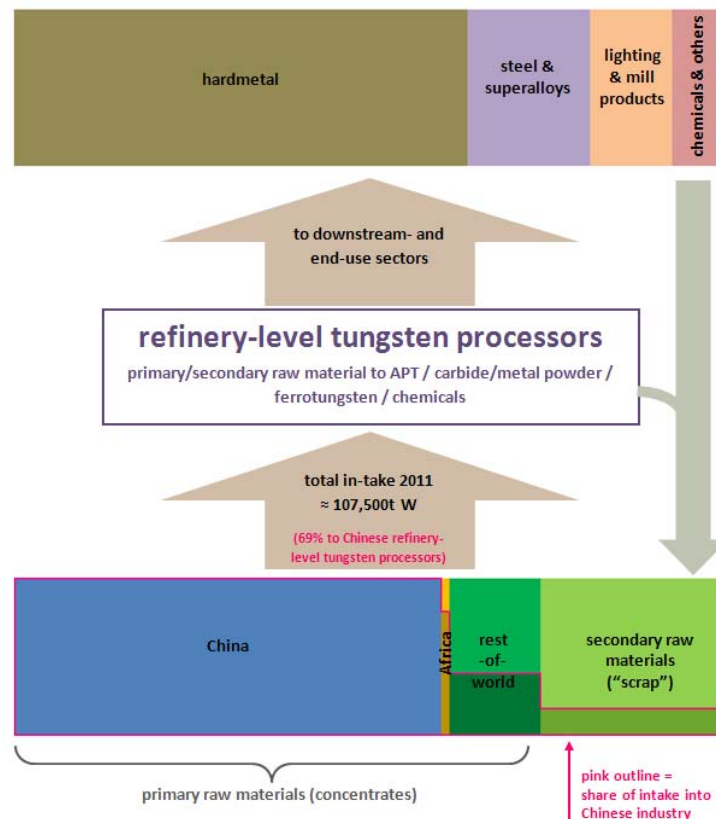


Exhibit 2: Commitment Letter

[Company letter-head]

[Date]

Tungsten Industry—Conflict Minerals Council
c/o Refractory Metals Association
Metal Powder Industries Federation
105 College Road East
Princeton, NJ 085406692

Dear Mr. Sedor:

I am pleased to confirm that *[name of company]* supports the principles of the Tungsten Industry's Conflict Mineral Commitment (TICMC) and will adhere to the TICMC framework.

With this communication, we express our commitment to advance the TICMC principles and to implement the TICMC supply management system to ensure that tungsten raw materials are sourced in a transparent manner, in accordance with law, and in line with the OCED *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* where applicable, and helping facilitating our clients fulfill their reporting obligations under SEC rules. We are committed to making TICMC part of the tungsten sourcing strategy, culture and daytoday operations of our company.

We recognize that a key requirement for participation in TICMC is the annual submission of a TICMC progress report that describes our company's efforts to implement the TICMC framework. Annual reporting and selfassessment shall be preferentially in line with the business year of the company, with reporting at latest three month after the end of the business year, and for the first time at latest 18 months after becoming member. At the same time, we will also report on the origin of our supply within the five categories as outlined in the TICMC policy via a selfdeclaration.

We also commit to undergo CFSP compliance auditing within a period of 2 years from the start of our TICMC membership, and thus become Category A member. We understand that it is our responsibility to establish contact with the CFSP program and to undertake all required steps in order to achieve CFSP compliance in a timely manner. I understand my company will be delisted as a TICMC member company if I fail to execute all the requirements identified in accordance with the member category and the timelines specified within the TICMC framework. *[remove entire last paragraph if applying for Category B membership only]*

Sincerely yours,

[Signature]

[Name Mr. /Ms. _____]

[Title CEO/Managing Director]*

** The letter must be signed by an official with authority to execute.*

Exhibit 3: RCOI Annual Reporting Form

**Tungsten Industry - Conflict Mineral Council
Annual Reporting Form**

MUST be submitted by 28 February each year

Return to: psedor@mpif.org

Member company / smelter location(s)

Company name / location; smelter name(s), location(s)

Note: if a company operates more than one smelter-level facility, and the individual sites do not follow an identical sourcing policy, a clear distinction between the different smelter facilities has to be made in the following!

Annual Self-Assessment

In **20__** (fill in year), the following activities to assure ongoing compliance with conflict-free sourcing and the TI-CMC guidance were undertaken.

Brief account of annual activities to maintain and strengthen the sourcing practices with respect to conflict-free supply.

***Results of the Reasonable Country of Origin Inquiries (RCOI),
to be reported for each smelter-level facility individually***

YEAR: _____

Name/location(s) of smelter-level facility—use a separate form for each location

Smelter Name / Location / Smelter ID Number—

**Results of the Reasonable Country of Origin Inquiry for the origin of its raw materials
(must specify at least one and all that apply)**

Secondary Raw Materials (recycling of scrap)	Supply (such as concentrates or through intermediates) is derived from ore that ...			
	did not originate from the Covered Countries [*], Mozambique, South Africa or Kenya.	originated from Mozambique, South Africa or Kenya.	originated from the Covered Countries [*] but not the DRC.	Originated from the DRC.
(R/S)	(L1) Level 1	(L2) Level 2	(L3) Level 3	(DRC)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
[*] Covered Countries = Angola, Burundi, Central African Republic, Democratic Republic of Congo (DRC), Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia				

This page MUST be completed for each smelter location

CFSP-Compliance Audit

As a TI-CMC category A member, you have committed to undertake a CFSP audit within 2 years of enrolling with TI-CMC. Your enrollment date can be found on the TI-CMC website:

(http://www.ti-cmc.org/memb_list.asp)

Your due date is: _____

In **20**____ (fill in year), which activities have you undertaken to reach this target?

Activities undertaken to reach CFSP compliance within two years of enrolling with TI-CMC.

Do you have completed CFSP Validation?

For all smelter-level facilities.

Only for the following smelter-level facilities:

Smelter Name / Location / Smelter ID Number–

If sourcing from the Covered Countries:***Are the supplies OECD compliant? Check all that apply:***

We have completed CFSP validation for all smelter-level facilities where the supply includes material originating from the Covered Countries.

We are members of iTSCi (ITRI Tin Supply Chain Initiative).

We have commissioned an independent 3rd party audit – results are attached.

We have received the first shipment of material from the Covered Countries within the last six months. We have aligned our management systems to the requirements of OECD compliant sourcing and are cooperating with various organizations to demonstrate OECD compliance. We will provide proof of compliance within six months of the first receipt of these materials.

Date / signed by / signature:**Return form by March 31 to:**

***Paul Sedor
MPIF - TI-CMC
105 College Road East
Princeton, NJ 08540
USA
psedor@mpif.org***