

'Conflict Minerals' refers to minerals or other derivatives (specifically, **Tin**, **Tantalum**, **Tungsten**, and **Gold**, also known as 3TG) mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where the revenues of the 3TG minerals may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. In July 2010, the United States passed the Dodd-Frank Financial Reform & Consumer Protection Act, section 1502(b) requiring all US public companies and their suppliers to disclose the chain of custody usage of conflict minerals.

While COELME is not subject to SEC reporting<sup>1</sup>, COELME fully supports this legislation and its position is **to avoid the use of conflict minerals**, everywhere such conflicts are.

COELME does not procure 3TG minerals directly from mines or smelters; nevertheless, in order to comply with the applicable SEC rules and, just as importantly, to adhere to the Company values, COELME has begun to embark upon the process of working with its suppliers to ensure that no conflict minerals are used in their products. COELME is adopting standards in line with the EICC/GeSI and OECD Standard of Diligence, regarding the process to obtain chain of custody declarations from all COELME's sourced and managed suppliers ensuring transparency in its supply chain.

This conflict minerals statement is in line with COELME's sustainability commitment.

Therefore, **COELME requires suppliers – only those whose products contain Conflict Minerals - to submit this information to COELME using the standardized EICC/GeSI Conflict Minerals Reporting Template (CMRT<sup>2</sup>)** that traces the metals back through the supply chain. COELME also welcomes and endorses industry initiatives such as the Conflict Free Smelter program (CFSP) to validate responsible and sustainable sources.

If COELME becomes aware of a supplier whose supply chain includes Conflicts Minerals that are not Conflict Free, COELME will take the appropriate actions to remedy the situation in a timely manner, including reassessment of supplier relationships. COELME expects its suppliers to take similar measures with their suppliers to ensure alignment throughout the supply chain.

In its attempt to support its customers' compliance with the law/regulations in force regarding Conflict Minerals, COELME will conduct some supply chain audits of its suppliers.

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<sup>1</sup> SEC → U.S. Securities and Exchange Commission

<sup>2</sup> <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>