

Conflict Minerals Statement

On August 22, 2012, the final rule regarding the sourcing of "Conflict Minerals" - Tantalum, Tin, Gold, and Tungsten - under Section 1502 of the United States Wall Street Reform and Consumer Protection Act (also known as the U.S. Dodd-Frank Act) was enacted by the Securities and Exchange Commission (SEC). This final rule was implemented due to concerns of financial gains being earned from the exploitation and trade of conflict minerals by armed groups that may be contributing to an emergency humanitarian crisis in the Democratic Republic of the Congo (DRC) and adjoining countries ("Covered Countries").

The rule requires any company, whose use of Conflict Minerals is necessary for the "functionality or production of a product" that it manufactures or contracts to manufacture, to report to the SEC the presence of conflict minerals originating in the DRC or Covered Countries. Companies are expected to conduct a reasonable 'country of origin' inquiry in an effort to determine how those minerals are sourced. In addition, these companies must make public if any of their materials originate from the DRC and/or Covered Countries. The final rule can be read in full detail here: [Conflict Materials Final Rule](#).

Pacific Particulate Materials Ltd (PPM) shares the concerns that the exploitation and trade of conflict minerals mined in the DRC and adjoining countries have been associated with financing regional violence and gross violations of human rights. Therefore, we support the traceability of Conflict Minerals by increasing supply chain transparency to enable companies to source conflict-free minerals.

In order to ensure our values regarding ethics, human rights, and environmental responsibility are upheld, PPM is committed to sourcing materials from companies that share these values. *As such*, we expect our suppliers to adopt policies and procedures that support the Act, which will enable us to assure, within reason, that products supplied by PPM are conflict-free. We also believe that our customers should be fully informed about the products they purchase; therefore, we are committed to working with our customers to supply products that meet our customer's specifications and ethical requirements.

PPM will continue to evaluate our policies and collaborate with industry groups to increase awareness and assist in working towards avoiding any use of materials that directly or indirectly might finance conflict in the Covered Countries. We encourage all our suppliers and customers to exercise the same diligence.