China Molybdenum Co., Ltd.
Economic Sanctions Policy

1 Edition [2020]

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CONTENTS

Chapter 1 Purpose and Scope

The purpose of this Economic Sanctions Policy (the "Sanctions Policy" or "Policy") is to help ensure compliance by China Molybdenum Co., Ltd. ("Group") and all of its directly or indirectly controlled or majority-owned subsidiaries (collectively, "CMOC") with applicable economic sanctions laws in countries where CMOC conducts business or where CMOC's business has a direct or indirect connection, potentially including the United States and European Union.

As an international organization with facilities in multiple countries, communities and environments, we recognize the responsibility we have to conduct our business and deliver our products in a manner that is consistent with our corporate values. Together with the export control laws described in the CMOC Export Controls Policy these economic sanctions govern how CMOC conducts business with agents, customers, dealers, distributors, suppliers, and other similar third parties (collectively "Business Partners") around the world.

CMOC maintains this Sanctions Policy to promote compliance with these laws, where applicable. This Policy applies to all CMOC employees, officers, directors, agents, consultants, and any other persons acting on behalf of CMOC ("CMOC Personnel") anywhere in the world. CMOC must also take into account that U.S. persons and EU Member State nationals, for example, must comply with sanctions imposed by the United States and the EU, respectively, regardless of where they are in the world or such persons may face personal liability. Violations of economic sanctions programs can result in severe consequences, including civil penalties, criminal fines, and possible incarceration. Accordingly, any violations of this Policy will result in disciplinary action, up to and including termination.

Chapter 2 What are Economic Sanctions

Economic sanctions prohibit transactions with targeted countries, entities, and individuals. These prohibitions may include, among other things, signing contracts, selling goods, providing services, processing payments, and other business activities. Because CMOC maintains operations around the world, all CMOC Personnel must comply with this Policy with respect to any applicable sanctions programs in the jurisdictions where they operate. This may include U.S. sanctions for both U.S. and non-U.S. operations, depending on the circumstances. These sanctions fall into four general categories:

1. Country-Based Sanctions. The U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") maintains broad sanctions against Cuba, Iran, North Korea, Syria, and the region of Crimea (collectively "Sanctioned Countries"). These sanctions prohibit most commercial and financial transactions in Sanctioned Countries, as well as many transactions with parties from Sanctioned Countries, whenever there is a direct or indirect connection to the United States (e.g., the presence of a U.S. person or a U.S. dollar transaction). These sanctions prohibitions apply even if parties from Sanctioned Countries are located in another country.

2. List-Based Sanctions. OFAC, Canada, the European Union ("EU"), and the United Kingdom ("UK", which as a current EU Member State largely implements EU sanctions), among other jurisdictions, impose sanctions on specific entities and individuals that threaten their foreign policy and national security interests (collectively "Sanctioned Parties"). These sanctions measures are often based on the sanctions adopted by the United Nations ("UN"), but also feature unilaterally imposed sanctions. The focus of list-based sanctions may be on specific targeted countries, but also on certain activities (regardless of location). Notable examples of Sanctioned Parties include terrorist syndicates, weapons traffickers, criminal organizations, and targeted foreign government officials or institutions. List-based sanctions may apply whenever a transaction

directly or indirectly implicates any Sanctioned Parties (including through majority ownership, or in some cases control).

3. Sectoral Sanctions. In some instances, OFAC and the U.S. State Department, as well as jurisdictions such as the EU and the UK, may sanction activities involving certain industries located in foreign countries. Notable examples include sanctions on the companies operating in the Russian defense, energy, and financial services industries (US, EU and UK). Many of these sectoral sanctions work in concert with the list-based sanctions described above.

4. Secondary Sanctions. In addition to the various “primary” sanctions programs discussed above, OFAC and the U.S. State Department may also impose sanctions on entities and individuals that conduct business in or with certain Sanctioned Parties and/or countries targeted by sanctions if the activity falls within a defined category of “sanctionable” conduct (“Secondary Sanctions”). The purpose of these Secondary Sanctions is to discourage non-US persons and companies from doing business with such restricted parties and countries by the threat of limiting the non-US person’s ability to conduct commercial and financial transactions in the United States.

Chapter 3 How do I Comply

CMOC Personnel must not knowingly conduct, facilitate, or otherwise participate in transactions with Sanctioned Countries or Sanctioned Parties without prior written authorization to the extent required under applicable law. CMOC Personnel who observe or identify any potential transactions involving Sanctioned Countries or Sanctioned Parties must immediately suspend the underlying transaction(s) and escalate the matter internally for further guidance. No further dealings or activities involving such parties may occur until the authorized in writing by CMOC management or, as needed, by relevant government authorities. Additionally, to the extent required under applicable law, CMOC Personnel must never:

1. Approve, conduct, facilitate, or oversee any commercial or financial transactions that directly or indirectly implicate Sanctioned Countries or Sanctioned Parties. The sole exception is for those transactions that receive prior written authorization, including from the relevant governmental authorities (where applicable).

2. Refer business involving Sanctioned Countries or Sanctioned Parties to any CMOC affiliates or Business Partners – even if the other party operates in a country that does not impose similar sanctions. Such referrals may violate OFAC regulations and EU/UK anti-circumvention rules, and could expose CMOC to severe penalties.

Chapter 4 Screen Business Partners

To conduct appropriate due diligence on its Business Partners and transactions will be effective to identify potential economic sanctions risks. To this end, all new Business Partners should be screened (including available information about direct or indirect major shareholders in their ownership structure, as obtained through KYC procedures) for Sanctioned Countries and Sanctioned Parties using the applicable Restricted Party Lists ("RPLs") before the company conducts business with new Business Partners. This screening should also include a general review of the transaction for relevant red flags. If this screening identifies a possible match or flag for any Sanctioned Countries or Sanctioned Parties then CMOC Personnel must immediately suspend all pending transactions with the relevant Business Partners until the match has been reviewed and the business has been authorized in writing.

Existing Business Partners should also be screened for these sanctions risks on a regular basis, or more often if required under specific circumstances, to account for any ownership changes or periodic changes to the applicable sanctions programs and any associated RPLs published by relevant government agencies. If this periodic screening identifies a possible match for any Sanctioned Countries or Sanctioned Parties, then CMOC Personnel must immediately suspend all pending transactions and activities with the relevant Business Partners until the match has been reviewed and the business has been authorized in writing.

Chapter 5 Third-Party Compliance

All CMOC Personnel should be open and transparent about economic sanctions requirements. This includes requiring Business Partners to comply with the same laws that govern CMOC, even if foreign laws are less restrictive. These requirements should be integrated into any contracts, terms and conditions, or other written agreements signed by CMOC or its authorized agents.

In addition, certain Business Partners undertaking activities on behalf of CMOC may be required to certify to their compliance with this Policy.

Chapter 6 Monitoring Red Flags

All CMOC Personnel must be alert to suspicious activity, suspend transactions or activities when suspicions arise, and escalate the matter internally for guidance if uncertainty exists. Additional information regarding suspect transactions and relevant red flags is available in the Appendix.

Chapter 7 Recordkeeping Requirements

In some instances, information may be requested to file disclosures or other reports with government agencies. All CMOC Personnel should maintain and immediately produce any information that would assist with such filings. Additionally, any information involving known or suspected transactions with Sanctioned Countries or Sanctioned Parties must be maintained as long as required under applicable law (for example, for a minimum of five (5) years in the United States). Failure to maintain such records can undermine CMOC's ability to respond to inquiries from government enforcement agencies in the United States and other relevant jurisdictions.

Chapter 8 Internal Reporting of Violations

CMOC is committed to conducting business with honesty and integrity. To that end, any CMOC Personnel who observe any potential or actual violations of this Policy or the underlying laws must immediately escalate the matter internally, to the extent that such internal reporting is permissible under applicable national law. CMOC does not permit any form of retaliation against employees who report suspect violations of the relevant laws or company policies in good faith.

Chapter 9 Appendix

Economic Sanctions Red Flags

1. Business Partners or other parties to the transaction have dealings with Sanctioned Countries or other restricted territories (e.g., Crimea, Cuba, Iran, North Korea, and Syria).

2. Business Partners have names and/or addresses that are similar to those associated with Sanctioned Persons or other entities on Restricted Party Lists.

3. Business Partners conduct business with the Iranian or Russian defense, energy, or financial industries, or operate in other countries with Sanctioned Industries.

4. Business Partners attempt to act as agents for undisclosed parties, make or receive payments from undisclosed parties, and refuse to provide information regarding those parties.

5. Business Partners are evasive or unclear about whether the products they are purchasing are for domestic use, export, or re-export.

6. Business Partners are reluctant to provide accurate or complete information about the name, nature, or location of their business(es).

7. The ultimate consignee listed on the airway bill or bill of lading is a freight forwarding firm, a trading company, a shipping company, or a bank.

8. Business Partners order products and services that are inconsistent (or high volumes of products) with their business purpose, facilities, or level of technical sophistication.

9. Business Partners attempt to route payments through a third party that is not related to their business, or through a third country that is not involved in the transaction.

10. Business Partners engage in numerous transactions using checks, money orders, or wire transfers in amounts under $10,000 with no apparent business purpose.

11. Business Partners make or receive payments from offshore tax havens, suspicious countries, or unstable countries with no apparent business purpose.

12. Business Partners (or their customers) make or receive payments via third-party checks, money orders, or other instruments with no apparent business purpose.

Chapter 10 Effectiveness and Interpretation

This Policy shall come into force on the date of signing by the Chairman of the Group and its promulgation.

If any policy previously issued by CMOC conflicts with this Policy, this Policy shall prevail.

This Policy shall be interpreted by the Legal and Compliance Department of the Group.