

Jinchuan Group International Resources Co. Ltd

(the “Company”)

Anti-Fraud, Misconduct and Whistleblowing Policy

1 POLICY STATEMENT

- 1.1 The board (the “**Board**”) of directors (the “**Director**”) of the Company is responsible for the protection of all its stakeholders’ interest hence the Board and its management place strong emphasis on fraud prevention reducing the possibility for financial losses and reputational losses arising from fraudulent activities within the Company. This Anti-Fraud Policy is developed for enhancing the Company and its subsidiaries’ (the “**Group**”) risk management mechanism.
- 1.2 To minimize the possibility of fraud, the Board is determined to establish an effective control environment where the importance of the efficiency in operation and the effectiveness in fraud prevention can be well-balanced.
- 1.3 This policy is designed to encourage employees of the Group and related third parties (e.g. customers, suppliers, etc., who deal with the Group) (“**Third Parties**”) to raise concerns, in confidence, about fraud, misconduct, malpractice or irregularities in any matters related to the Group. It should be noted that due to the nature of harassment cases, complaints relating to harassment are not covered by this policy. Instead, such complaints are governed by the applicable guideline(s) adopted by the relevant operating unit, which refers the reporting and investigation of harassment cases to local harassment handling procedures.

2 PURPOSES FOR THE POLICY

- 2.1 The purposes of the Policy are to:
 - 2.1.1 Clearly define the mission of the risk management team.
 - 2.1.2 Outline the roles and responsibilities of the Company’s management and functional managers at operation level.
 - 2.1.3 Strengthen the risk management mechanism which is required to be monitored on a going basis with designated reporting procedures.

3 DEFINITION

- 3.1 “Fraud” is defined as acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.
- 3.2 “Misconduct” is defined to as acts of infringement of any law or regulation involving any personnel of the Group, including but not limited to acts governed by the internal rules of the Company and/or applicable laws and regulations.

3.3 “Whistleblower” is defined as any person who has raised concern pursuant to the procedures of this policy.

4 POLICY

4.1 Maintenance of an effective internal control system

- 4.1.1 Board should maintain a control environment that promotes its values including the requirement for all levels of employees to adhere to the section named Code of Conduct of the Company.
- 4.1.2 Board should conduct periodic and systematic fraud risk assessments.
- 4.1.3 The Company’s control activities should be designed and adapted to mitigate identified fraud risks.
- 4.1.4 Board should effectively communicate this policy and procedures to all level of employees. The procedures for reporting allegations of fraud by employees and external parties should be clearly communicated.
- 4.1.5 Board should monitor the effectiveness of its controls related mitigating fraud risk and remedy any identified deficiencies in timely manner.

4.2 Prevention of fraud

- 4.2.1 Prevention of fraud should be achieved by establishing control activities which comprise a diverse range of policies and procedures that help to ensure that relevant management directives are carried out and any actions that may be needed to address risks to achieving the control’s objectives are taken. Among the common control activities performed by personnel at different levels of the Group are as following paragraphs.
- 4.2.2 Segregation of Duties: adequate segregation of duties is important which involving custody, authorization and control of source documents and records, e.g. one person should not have the sole authority to initiate a transaction, authorize a transaction and complete the transaction without appropriate sign off processes and differing levels of management approval. The lack of proper segregation of duty is most often the root cause of many fraud and theft events.
- 4.2.3 Physical controls: ensuring equipment, inventories, securities and other assets are safeguarded and subject to periodic checks.
- 4.2.4 Authorization: all employees should have individual financial transactional levels established which vary according to their management levels, or position of authority, business unit needs and ability to obligate the business to a financial commitment.
- 4.2.5 Review/Exceptional Reporting: performing a variety of controls (by independent parties, if any) to check accuracy, completeness and authorization of transaction, e.g. exception reports.

4.3 Anti-fraud reporting mechanism

4.3.1 Whistleblowing policy is the core anti-fraud reporting mechanism of the Group. Please refer to clause 5 of this policy.

4.4 Fraud awareness

4.4.1 Fraud awareness affects all employees. Everyone within the organization should be aware of the fraud risk policy including different types of fraud and the consequences associated with them. Regular refreshment training is offered to all employees to highlight importance of integrity and business conduct.

5 WHISTLEBLOWING

5.1 Protection for the Whistleblower

5.1.1 Persons making genuine and appropriate complaints under this policy are assured of fair treatment. In addition, the Group's employees are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated. The Group reserves the right to take appropriate actions against anyone (employees or Third Parties) who initiates or threatens to initiate retaliation against those who have raised concerns under this policy. In particular, employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include summary dismissal. Management will support all employees and encourage them to raise concerns without fear of reprisals.

5.2 Confidentiality

5.2.1 The Group will make every effort, within its capacity to do so, to keep a Whistleblower's identity confidential. The Group will endeavour to advise a Whistleblower in advance if his or her identity may become apparent or need to be disclosed. Should an investigation lead to a criminal prosecution, it may become necessary for a Whistleblower to provide evidence or be interviewed by the relevant authorities. For his or her part, in order not to jeopardise the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report as well as the nature of concerns and the identities of those involved.

5.3 Reporting channel

5.3.1 Whistleblowers should make their reports to Follow-up Task Force ("FTF") for review. For employees, they may prefer to have an initial discussion with his/her manager or local Human Resources (HR) representatives. However, the manager or HR must in turn report any potential or actual misconducts, malpractices or irregularities to FTF. If employees feel uncomfortable doing this (e.g., your line manager has declined to handle your case or it is the line manager who is the subject of the report), then the employee should contact FTF. Business partners, suppliers and Third Parties are encouraged to report directly to FTF.

5.3.2 Any business units in receipt of a letter or a verbal report alleging any of the above types of misconducts, malpractices or irregularities shall promptly redirect the letter or the reportee to FTF. If it is considered desirable to take legal action or to refer the case to law enforcement authorities, advice from the legal function of the Group or, where applicable, the legal function of the local business unit where applicable should be obtained.

5.4 Reports and Supporting Documentation

5.4.1 The Group does not expect the Whistleblower to have absolute proof or evidence of the misconducts, malpractices or irregularities reported, the report should show the reasons for the concerns and full disclosure of any relevant details and supporting documentation.

5.4.2 If a report is made in good faith, even if it is not confirmed by any subsequent investigation, the Whistleblower's concerns would be valued and appreciated. A report can be made to FTF by email to: whistleblowing@jinchuan-intl.com.

5.5 Investigation

5.5.1 Emails sent to FTF's email mailbox will be automatically forwarded to all members of FTF. FTF will acknowledge the receipt of a written report to the complainant when the report is not anonymous. When a report is received by a business unit, the business unit should redirect the report to FTF. FTF will assess every report received to decide if a full investigation is necessary. A decision regarding whether to investigate may depend on the availability of sufficient information. When the decision is not to investigate further due to lack of sufficient information and the report is not anonymous, the complainant will be informed by FTF of such a decision. If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by FTF to the relevant local authorities (for instance, Independent Commission Against Corruption (ICAC) in Hong Kong).

5.5.2 In some situations (e.g. in case of possible criminal offence), FTF may have to refer the matter together with the relevant information to the authorities. Please note that once the matter is referred to the authorities, the Group will not be able to take further action on the matter.

5.5.3 FTF will prepare a full report on the investigations conducted by FTF without revealing the identity of the Whistleblower. For confirmed cases of CoC violations, the normal process is for the responsible line management (with the assistance of HR representative) to determine what disciplinary action is appropriate and after review by FTF, make a recommendation to the relevant management of the Company for final decision.

5.5.4 The result of the investigation may be communicated to the Whistleblower where deemed appropriate. Information provided to a Whistleblower is subject to privacy considerations of those against whom the allegations are made and the Company's confidentiality practices. FTF will review the need to communicate to the Whistleblower and approve any communication materials and protocols. The detailed investigation report will not be provided. If the Whistleblower is not an employee, he or she must sign a confidentiality agreement prior to receiving information on the outcome of the investigation.

5.6 False reports

5.6.1 If a Whistleblower makes a false report maliciously, with an ulterior motive, or for personal gain, the Group reserves the right to take appropriate actions against anyone (employees or Third Parties) to recover any loss or damage as a result of the false report. In particular, employees may face disciplinary action, including dismissal where appropriate.

5.7 Anonymous reports

5.7.1 As the Group takes reporting of fraud, misconducts, malpractices, and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, it is preferred that these reports are not made anonymously. However, it is recognised that for any number of reasons, employees or Third Parties may not feel comfortable reporting potential violations directly to FTF. In these cases, anonymous reports may be submitted to the FTF.

5.8 Record retention

5.8.1 Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Group under Section 5.4.2 above. In the event a reported irregularity leads to an investigation, the party responsible for leading / conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation).

6 Follow-up Task Force (“FTF”)

6.1 Composition of FTF

6.1.1 FTF shall consist of three (3) members, namely, the representative from the Audit Committee (rotation by members of Audit Committee), the chief risk officer of the Company and the general counsel of the Company.

6.2 Decision by majority

6.2.1 FTF shall make decisions by majority voting. Each decision (including those under Sections 6.6 and 6.8.1) shall be made with the support of not less than three (3) members.

6.3 Handling of reports in writing

6.3.1 Regarding non-anonymous reports which require clarification, FTF shall promptly invite Whistleblower for meeting or to provide further particulars by other means.

6.4 Meeting with a Whistleblower

6.4.1 For any meeting with a Whistleblower, there must be at least two (2) FTF members present. The record must be properly documented by FTF, which record shall be (a) read to (or read by) the Whistleblower and (b) signed by the Whistleblower confirming the correctness of the record. With consent of the Whistleblower, voice recording of the meeting is permitted.

6.5 Preliminary Evaluation on whether a full investigation shall be launched

6.5.1 A member of FTF, after receipt of a complaint, shall call a meeting of FTF within seven (7) working days after the receipt of the complaint for a preliminary evaluation and thereafter inform the Whistleblower as to whether a full investigation will be launched.

6.6 Results of Preliminary Evaluation

After a preliminary evaluation, FTF may conclude that:

6.6.1 the case is factually unclear or of insufficient evidence. As such, further evidence or information is required from the Whistleblower, and thereafter the matter will go through another round of preliminary evaluation with such further evidence or information obtained.

6.6.2 The report is substantiated and an investigation shall be launched, which case will be reported to the top management of the Group and the Audit Committee.

6.6.3 The facts are unclear and the evidence is insufficient to warrant an investigation, which case will be closed and filed after signing off by FTF.

6.7 Investigation of complaints

6.7.1 For a report accepted which an investigation shall be launched (Section 6.6.2), depending on the nature and seriousness of the matters and the seniority of the personnel involved, FTF shall decide on whether investigation will be conducted in-house or by external parties.

6.8 Reports of investigation

6.8.1 FTF may invite the relevant personnel of the Group to assist with the investigation. An investigation report shall be issued by FTF. FTF shall submit the report to the top management of the group. Key matters (as determined by FTF) and matters involving the top management of the Group must be reported to the Audit Committee. In addition, all reports relating to misconduct related to financial reporting shall be reported to the Audit Committee by FTF.

6.8.2 For matters that have been substantiated and have breached the law, such matters will be transferred by the Group or the Company to the relevant law enforcement agencies for handling.

6.8.3 After the submission of an investigation report, the top management of the Group or the Audit Committee or the board of directors of the Group will make a final decision in respect of the matter concerned.

6.8.4 After the investigation is completed, FTF will inform the Whistleblower (who made non-anonymous report) as to the result of the matter. In addition, FTF shall submit quarterly reports (in respect of the work performed during the period) to the Audit Committee.

7 RESPONSIBILITY FOR IMPLEMENTATION AND REVIEW

7.1 This policy has been approved and adopted by the Board of the Company. The Audit Committee has overall responsibility for implementation, monitoring and periodic review of this policy.

This revised version was adopted by the Board on 28 December 2020.