



Statement on Responsible Minerals Sourcing Policy

The procurement and trading of certain mineral resources may involve conflicts and have serious negative impacts on local residents and society. We, Beijing Jingci Magnet Technology Development Co., Ltd. and Jingci Material Science Co., Ltd. (hereinafter referred to as “Jingci”), fully understand the social responsibility involved in conflict minerals and hereby makes the following explanations and statements.

1. Conflict Minerals and Extended Minerals

“Conflict minerals,” as defined by the US legislation, currently include the metals tantalum, tin, tungsten and gold, which are the extracts of the minerals cassiterite, columbite-tantalite and wolframite, respectively. Downstream companies often refer to the extracts of these minerals as 3TG.

*Note: Conflict minerals can be extracted at many different locations around the world including the Democratic Republic of Congo (DRC). The SEC rules define conflict minerals as 3TG metals, wherever extracted. For example, tin extracted in Canada, Russia or Argentina is considered a conflict mineral by definition. In the SEC rule, “DRC conflict-free” is defined as minerals that were extracted and did not directly or indirectly benefit armed groups in the covered countries. Therefore, tin extracted from Canada is considered “DRC conflict-free” under the definitions of the SEC rule.

The internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, has a broader scope and covers all minerals, not only 3TG. “Extended Minerals” also include Cobalt and Mica.

2. Jingci established a responsible minerals sourcing policy. Jingci won’t buy/sell, accept and use the above “Conflict minerals” and “Extended Minerals”, directly and indirectly. Jingci required the suppliers not to buy/sell, accept and use the above “Conflict minerals” and “Extended Minerals”

3. Jingci implemented due diligence measures for responsible sourcing. Jingci conducted “Conflict minerals” and “Extended Minerals” supply chain surveys of the relevant suppliers. Jingci reviewed due diligence information received from the suppliers.

4. When applicable, Jingci will take corrective action to make sure Jingci and the suppliers meet the responsible minerals sourcing policy. Jingci will review, update and report the latest sourcing information at customers’ request.

Jingci Material Science Co., Ltd.

Beijing Jingci Magnet Technology Development Co., Ltd