

## **GobiMin Inc.**

### **Responsible Exit Policy**

#### **Our Commitment**

GobiMin Inc. (“GobiMin” or the “Company”) is committed to respecting human rights, including by acting responsibly upon disposal of its business projects or investments. GobiMin is committed to complying at all times with applicable laws and regulations, including but not limited to laws relating to labour and human rights, in any place where its business is operating. Particularly, the Company will follow guidance set out in any and all authoritative global standards for developing and implementing Human Rights Due Diligence (HRDD) processes including guidance from the [United Nations Guiding Principles on Business and Human Rights](#) ((UNGPs), and the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

As part of its HRDD, the Company’s responsible exit plan can help to avoid infringing on the rights of others and to address any adverse human rights impacts, including environmental risks, caused by or related to the disposition of a business project or investment.

This Responsible Exit Policy (the “Policy”) aims to ensure that the Company meets its responsibility to respect internationally recognized human rights related to or on disposition of its business projects or investments. The goal is to prevent, mitigate and remedy, where appropriate, any adverse human rights impacts including environmental risks caused by or related to the disposition of the Company’s business project or investment.

The Company commits to analyze its decision to exit in good faith and consistent with its commitment to internationally recognized human rights. More particularly, the Company will:

- a. consider the timing, structure and process of exit;
- b. compare the actual and potential human rights impacts of exit; and
- c. utilize the findings while assessing and executing exit plans for each business project or investment.

#### **The Stages of Responsible Exit**

GobiMin recognizes that responsible exit preparation starts early for each business project or investment cycle. Responsible exit obligations start at the planning stage of a business project or investment, continue through the decision to exit, and finally, during exit, involve mitigating adverse impacts and enabling and providing access to remedies, with effect from the date of approval of this Policy.

##### **1. Preparing for Exit**

In the early stages of an investment or project, the Company commits to identify and assess any potential human rights impacts including environmental risks by conducting HRDD. Specifically, GobiMin will strive to:

- Develop a detailed, context-specific risk assessment strategy to identify and assess any actual or potential adverse human rights impacts, including environmental risks, for each business project or investment.

- Develop a detailed risk mitigation strategy in order to consider how to address and/or mitigate any adverse human rights impacts including environmental risks: a) which could materialize at the time of or after the exit and cause imminent and serious harm to human rights and/or imminent & significant adverse impacts on the environment; and b) which the Company needs to address, remedy and/or mitigate including by consulting with affected communities and stakeholders, providing support to the buyer etc.
- Where appropriate, the Company shall build strategies for risk mitigation into the investment structure, or into the terms and conditions of investment agreements and related documents. This may include disengagement terms in the contract, or contract renewal terms where the decision to renew involves consideration of human rights impacts including environmental risks. Where appropriate, the Company will adopt contingency plans for probable risks or adverse impacts, such as entering into transition agreements with key stakeholders (e.g. employees, unions, potential buyer), in order to minimize adverse human rights impacts.
- Where a business project or investment is in areas identified as high-risk for adverse human rights impacts, including environmental risks, (“high-risk business or investment”), the Company will exercise heightened caution when conducting HRDD and will develop an elaborate exit plan. High-risk areas may be delineated by geographic location or sector, or any other relevant consideration. The company will apply the concept of proportionality: the higher the risks, the more complex and detailed the HRDD process and exit plan will be.
- Depending on the type and context of its business project or investment (e.g., investment in a market with unstable political environment) and the reasons for its exit (e.g., risk of severe adverse human rights impacts including environmental risks), the Company will engage and consult with stakeholders including affected communities and design and execute its exit plan accordingly. Specifically, the Company will: a) consider and assess exit options at the beginning of a business project or investment or as early as possible; b) share the exit plan and conduct meaningful consultations with stakeholders including affected communities. The consultation should be accessible to and inclusive of marginalized groups such as women, indigenous people, ethnic minorities etc.

## 2. Executing Exit

When it has decided to exit, the Company commits to structure and execute its exit plan to minimize adverse human rights impacts, including environmental risks. The Company understands that a responsible exit involves both minimizing and remediating any adverse impacts that may be caused by its exit. For instance:

- The Company shall carefully design the exit plan to prevent or mitigate harmful consequences of exit.
- In the event of an equity sale of a high-risk business project or investment, the Company should screen the buyers during the selection process to ensure they are reputable by gathering information on the buyers online or from their websites, including geological location, company profile, purchasing practices as well as any social compliance documentation available. The Company will communicate its human rights expectations clearly to the potential buyer and sell to the buyers who commit to international human rights standards. The Company will also incorporate appropriate provisions regarding

compliance with international human rights standards into its sale or transfer of equity agreement and if applicable, engage after exit with the buyer on-the-ground to monitor adverse human rights and/or environmental impacts.

- In the event the Company has to undertake an unplanned or early exit and is faced with a situation of significant human rights or environmental concerns, it will: a) first try to use leverage to improve the situation for affected stakeholders and communities. The more severe and imminent the adverse human rights impacts, the faster the Company would need to see progress from leverage attempts before planning to exit; b) if leverage does not work or is not applicable, the Company shall provide reasonable notice to affected stakeholders and communities and consult with them to consider the outcome of exit; avoid sale or transfer of the business project or investment to buyers with poor human rights records; and undertake responsible exit to remedy actual adverse human rights impacts, including environmental risks and minimize potential future impacts.
- Where adverse human rights impacts, including environmental risks, already exist, the Company shall not exit until it satisfactorily remedies any adverse impact that has already occurred and commits to monitor and address any potential future impact. Also, the Company will consult the affected stakeholders and communities in order to inform and review its risk management and remediation strategies.
- The Company will ensure that the affected stakeholders have open and free access to the grievance mechanism and can raise concerns or questions about its exit and risk management and remediation process.

### 3. Post-Exit: Tracking and Communication

As part of its commitment to respect internationally recognized human rights, the Company shall seek to explain the measures it has taken to identify, prevent and remediate human rights impacts associated with a disposed business or investment. Specifically, the Company commits to:

- Track whether it has effectively identified, assessed, prevented and remediated adverse human rights impacts including environmental risks. In the event, the Company identifies or assesses any adverse human rights impacts, including environmental risks, caused by or related to its exit, it shall monitor and report regularly on the progress of its risk management and remediation efforts.
- Review its responsible exit policy as part of its regular business practices and continually improve its responsible exit policy based on the results of this tracking and feedback from the stakeholders.

### **Accountability and Monitoring**

In case of any questions, concerns, or potential violations of this Policy, stakeholders and communities may contact [info@gobimin.com](mailto:info@gobimin.com).

This Policy is subject to approval by the Company's Board of Directors. The Board of Directors shall also be responsible for its maintenance and periodic review. This Policy was approved on February 16, 2024.