

Palladium **One** Mining Inc.

Mining Principles

Owner: Chief Executive Officer

Version: 1.0

August 2022

Table of Contents

Purpose.....	2
A. PRINCIPLES	
1. Ethical Business.....	2
2. Decision-Making.....	2
3. Human Rights.....	2
4. Risk Management.....	3
5. Health and Safety.....	3
6. Environmental Performance.....	4
7. Conservation of Biodiversity.....	4
8. Responsible Production.....	4
9. Social Performance.....	4
10. Stakeholder Engagement.....	5
B. POSITION STATEMENTS.....	5
1. Climate Change Position Statement.....	5
2. Water Stewardship Position Statement.....	5
3. Indigenous People and Mining Position Statement.....	6
4. Mining Partnerships for Development Position Statement.....	6

PURPOSE

Palladium One Mining Inc. (“PDM” or the “Company”) has adopted the Principles and several Position Statements from the International Council on Mining and Metals (ICMM).

A. PRINCIPLES

The following principles outline how Palladium One Mining Inc. plans to practice sustainable development and social responsibility. These mining principles aim to respond to evolving societal expectations of the mining and metals industry.

1. Ethical Business

Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.

Performance Expectations

- a) Establish systems to maintain compliance with applicable laws.
- b) Implement policies and practices to prevent bribery, corruption and to publicly disclose facilitation payments.
- c) Implement policies and standards consistent with the ICMM policy framework.
- d) Assign accountability for sustainability performance at the Board and/or Executive Committee level.
- e) Disclose the value and beneficiaries of financial and in-kind political contributions whether directly or through an intermediary.

2. Decision-Making

Integrate sustainable development in corporate strategy and decision-making processes.

Performance Expectations

- a) Integrate sustainable development principles into corporate strategy and decision-making processes relating to investments and in the design, operation and closure of facilities.
- b) Support the adoption of responsible physical and psychological health and safety, environmental, human rights and labour policies and practices by joint venture partners, suppliers and contractors, based on risk.

3. Human Rights

Respect human rights and the interests, cultures, customs and values of workers and communities affected by our activities.

Performance Expectations

- a) Support the UN Guiding Principles on Business and Human Rights by developing a policy commitment to respect human rights, undertaking human rights due diligence and providing for or cooperating in processes to enable the remediation of adverse human rights impacts that members have caused or contributed to.
- b) Avoid the involuntary physical or economic displacement of families and communities. Where this is not possible apply the mitigation hierarchy and implement actions or remedies that address residual adverse effects to restore or improve livelihoods and standards of living of displaced people.
- c) Implement, based on risk, a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.
- d) Respect the rights of workers by: not employing child or forced labour; avoiding human trafficking; not assigning hazardous/dangerous work to those under 18; eliminating all forms of harassment and discrimination; respecting freedom of association and collective bargaining; and providing an appropriate mechanism to address workers grievances.

- e) Equitably remunerate employees with wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher) and assign regular and overtime working hours within legally required limits.
- f) Respect the rights, interests, aspirations, culture and natural resource-based livelihoods of Indigenous Peoples in project design, development and operation; apply the mitigation hierarchy to address adverse impacts and; deliver sustainable benefits for Indigenous Peoples.
- g) Work to obtain the free, prior and informed consent of Indigenous Peoples where significant adverse impacts are likely to occur, as a result of relocation, disturbance of lands and territories or of critical cultural heritage, and capture the outcomes of engagement and consent processes in agreements.
- h) Implement policies and practices to respect the rights and interests of women that reflect gender-informed approaches to work practices and job design, and that protect against all forms of discrimination and harassment, and behaviours that adversely impact on women's successful participation in the workplace.⁴
- i) Implement policies and practices to respect the rights and interests of all workers and improve workforce representation in the workplace so it is more inclusive.

4. Risk Management

Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.

Performance Expectations

- a) Assess environmental and social risks and opportunities of new projects and of significant changes to existing operations in consultation with interested and affected stakeholders, and publicly disclose assessment results.
- b) Undertake risk-based due diligence on conflict and human rights that aligns with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas, when operating in, or sourcing from, a conflict-affected or high-risk area.
- c) Implement risk-based controls to avoid/prevent, minimise, mitigate and/or remedy physical and psychological health, safety and environmental impacts to workers, local communities, cultural heritage and the natural environment, based upon a recognised international standard or management system.
- d) Develop, maintain and test emergency response plans. Where risks to external stakeholders are significant, this should be in collaboration with potentially affected stakeholders and consistent with established industry good practice.

5. Health and Safety

Pursue continual improvement in physical and psychological health and safety performance with the ultimate goal of zero harm.

Performance Expectations

- a) Implement practices aimed at continually improving workplace physical and psychological health and safety, and monitor performance for the elimination of workplace fatalities, serious injuries, psychosocial hazards and prevention of occupational diseases, based upon a recognised international standard or management system.
- b) Provide workers with training in accordance with their responsibilities for physical and psychological health and safety and implement health surveillance and risk-based monitoring programmes based on occupational exposures.

6. Environmental Performance

Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.

Performance Expectations

- a) Plan and design for closure in consultation with relevant authorities and stakeholders, implement measures to address closure-related environmental and social aspects, and make financial provision to enable agreed closure and post-closure commitments to be realised.
- b) Implement water stewardship practices that provide for strong and transparent water governance, effective and efficient management of water at operations, and collaboration with stakeholders at a catchment level to achieve responsible and sustainable water use.
- c) Design, construct, operate, monitor and decommission tailings disposal/storage facilities using comprehensive, risk-based management and governance practices in line with internationally recognised good practice, to minimise the risk of catastrophic failure.
- d) Apply the mitigation hierarchy to prevent pollution, manage releases and waste, and address potential impacts on human health and the environment.
- e) Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognised protocols for measuring CO2 equivalent (GHG) emissions.

7. Conservation of Biodiversity

Contribute to the conservation of biodiversity and integrated approaches to land-use planning.

Performance Expectations.

- a) Neither explore nor develop new mines in World Heritage sites, respect legally designated protected areas, and design and operate any new operations or changes to existing operations to be compatible with the value for which such areas were designated.
- b) Assess and address risks and impacts to biodiversity and ecosystem services by implementing the mitigation hierarchy, with the ambition of achieving no-net-loss of biodiversity.

8. Responsible Production

Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.

Performance Expectations

- a) In project design, operation and de-commissioning, implement cost-effective measures for the recovery, re-use or recycling of energy, natural resources, and materials.
- b) Assess the hazards of the products of mining according to UN Globally Harmonised System of Hazard Classification and Labelling or equivalent relevant regulatory systems and communicate through safety data sheets and labelling as appropriate.

9. Social Performance

Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.

Performance Expectations

- a) Implement inclusive approaches with local communities to identify their development priorities and support activities that contribute to their lasting social and economic wellbeing, in partnership with government, civil society and development agencies, as appropriate.
- b) Enable access by local enterprises to procurement and contracting opportunities across the project life-cycle, both directly and by encouraging larger contractors and suppliers, and also by supporting initiatives to enhance economic opportunities for local communities.

- c) Conduct stakeholder engagement based upon an analysis of the local context and provide local stakeholders with access to appropriate and effective mechanisms for seeking resolution of grievances related to the company and its activities.
- d) Collaborate with government, where appropriate, to support improvements in environmental and social practices of local Artisanal and Small-scale Mining (ASM).

10. Stakeholder Engagement

Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Performance Expectations

- a) Identify and engage with key corporate-level external stakeholders on sustainable development issues in an open and transparent manner.
- b) Publicly support the implementation of the Extractive Industries Transparency Initiative (EITI) and compile information on all material payments, at the appropriate levels of government, by country and by project.
- c) Report annually on economic, social and environmental performance at the corporate level using the GRI Sustainability Reporting Standards.

B. POSITION STATEMENTS

In addition to the Mining Principles above, PDM aims to define additional commitments, known as Position Statements, that must be implemented along with Mining Principles.

1. Climate Change Position Statement

Responding to the need for an urgent global response to the threat of climate change, across all areas of society and the economy.

Principles of particular relevance to mining and protected areas are:

4- Risk Management; 6- Environmental Performance; 7- Conservation of Biodiversity; 8. Responsible Production; 10- Stakeholder Engagement

2. Water Stewardship Position Statement

Promoting the use of water in ways that are socially equitable, environmentally sustainable, and economically beneficial.

Water stewardship is the use of water in ways that are socially equitable, environmentally sustainable, and economically beneficial. Effective stewardship requires collaboration and concerted action from all parties, including government, civil society, business and local communities through inclusive stakeholder engagement.

The commitments in this Position Statement require:

- a) Application of strong and transparent water governance.
- b) Management of water at operations effectively.
- c) Collaboration to achieve responsible and sustainable water use.

Principles of particular relevance to mining and protected areas are:

3- Human Rights; 4- Risk Management; 6- Environmental Performance; 7- Conservation of Biodiversity; 10- Stakeholder Engagement

3. Indigenous People and Mining Position Statement

Building positive relationships between mining companies and Indigenous People through respect, meaningful engagement and mutual benefit.

Recognizing the potential vulnerability to Indigenous People, the commitments in this Position Statement requires the company to:

- Respect the rights, interests, special connections to lands and waters, and perspectives of Indigenous Peoples, where mining projects are to be located on lands traditionally owned by or under customary use of Indigenous Peoples.
- Adopt and apply engagement and consultation processes that ensure the meaningful participation of indigenous communities in decision making, through a process that is consistent with their traditional decision-making processes and is based on good faith negotiation.

Principles of particular relevance to mining and protected areas are:

3- Human Rights; 6- Environmental Performance; 9- Social Performance

4. Mining Partnerships for Development: Position Statement

Ensuring that investments made in developing mineral resources enhance social and economic development locally and nationally.

The purpose of this Position Statement is to encourage multi-stakeholder development-focused partnerships to actively support or help develop such partnerships at global, national and community levels.

Principles of particular relevance to mining and protected areas are:

1- Ethical Business; 2- Decision-Making; 3- Human Rights; 9- Social Performance; 10- Stakeholder Engagement