

Sierra Mineral Holdings I, Limited (SMHL) Anti-Fraud Policy

8th January 2024

Contents

1. Introduction.....	3
2. Policy.....	3
3. Definitions.....	3
4. Responsibilities.....	3
5. Procedures	4

1. Introduction

Fraud can have a devastating effect on our company because it could result in significant financial loss and other long-term business repercussions. Any allegations of fraud will be taken seriously, with no exceptions. All individuals, regardless of position, title, or tenure with the company are expected to remain vigilant and report any suspicious activity to the compliance officer.

This Policy promote a culture founded on fraud prevention, awareness, and accountability, and clarify acts that are considered to be suspicious. They support a culture of operating within a comprehensive framework of internal controls, complete with documented and formalized policies, procedures, processes, and other supporting safeguards as needed. The procedures provide guidance to prevent, detect, report, and investigate when fraudulent acts are suspected and subsequently proven.

2. Policy

Sierra Mineral Holdings I, Limited (“**Company**”) upholds a zero-tolerance approach regarding fraud and corruption. Besides this, Sierra Leone’s criminal code such as the larceny Act 1916, Forgery Act 1913, the Anti-Corruption Act 2008 prohibit fraudulent and corrupt practices. The Company will identify and promptly investigate any suspected fraudulent or related dishonest activity against the Company or other parties with whom the organization has dealings. The Company will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities including the Criminal Investigations Department (CID), Financial Intelligent Unit (FIU) and the Anti-Corruption Commission (ACC)for prosecution.

3. Definitions

3.1 Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

- a. Forgery or alteration of documents (checks, bank draft, time sheets, invoices, agreements, etc.) or bank accounts belonging to the Company or its subsidiaries.
- b. Misrepresentation of information on documents.
- c. Misappropriation of funds, supplies, or assets.
- d. Theft, disappearance, or destruction of assets.
- e. Improprieties in the handling or reporting of money or financial transactions.
- f. Authorizing or receiving payments for goods not received or services not performed.
- g. Authorizing or receiving payment for hours not worked.
- h. Inappropriate use of the Company’s records and disclosing confidential and proprietary information to outside parties.

3.2 Corruption is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

- a. Bribery
- b. Conspiracy
- c. Extortion

3.3 Management: For purposes of these procedures, management refers to the GM, CFO, COO or other individuals who manage or supervise funds or other resources, including human resources

4. Responsibilities

4.1. Management is responsible for the detection and prevention of fraud and misappropriation. Each member of management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity.

4.2. Management is responsible to report any potential instance of fraud or corruption to the Board of Directors.

4.3. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent the reoccurrence of improper actions.

4.4. All employees and the Board of Directors must report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any employee, Board member, contractor, vendor, or any other party with an association with the Company. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

4.5. The Compliance Officer is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as necessary.

4.6. The Compliance Officer is also responsible to act as the lead during the investigation process in determining if fraudulent activity has taken place and to lead the review process.

5. Procedures

5.1. PREVENTING FRAUD AND CORRUPTION

5.1.1. The Company has established internal controls, policies, and procedures to deter, prevent, and detect fraud and corruption.

5.1.2. New employees and contractors will be subject to background investigations, including a criminal background check. If a criminal background check facility is not available, a police clearance must be obtained. The Company will also verify all applicants' employment history, education, and personal references prior to making an offer of employment.

5.1.3. Vendors, contractors, customers and suppliers must be active, in good standing, and authorized to transact business in their country. Vendors, contractors, customers and suppliers are subject to screening, including verification of the individual's or Company's status as a suspended or debarred party.

5.1.4. Contractual agreements with the Company will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

5.1.5. The Company employees will receive fraud and corruption awareness training. New hires will receive the training as part of their orientation at the commencement of employment and will sign a statement acknowledging that they have received and read this Policy. All employees will receive fraud and corruption awareness training every three years.

5.2. REPORTING FRAUD AND CORRUPTION

5.2.1. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act to the Compliance Officer, immediately. Failure to report suspected fraudulent or corrupt activity in a timely manner according to the procedures below will also be subject to disciplinary action.

5.2.2. The reporting employee shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with any other party unless requested to do so by the Compliance Officer, GM, Board of Directors and/or law enforcement.

5.2.3. Retaliation and retribution will not be tolerated against any employee or Board member who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee is subject to disciplinary action.

5.3. INVESTIGATION

5.3.1. The Compliance Officer has the responsibility to ensure that all suspected fraudulent acts are properly screened and investigated.

5.3.2. The Board of Directors may decide to appoint an investigating team or individual that shall have:

5.3.2.1. Free and unrestricted access to all the Company records and premises, whether owned or rented; and

5.3.2.2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

5.3.3. If a fraudulent act involves an employee, the Compliance Officer will determine when to notify the employee and whether to recommend that the employee be suspended or temporarily reassigned.

5.3.4. All reports of suspected fraudulent acts will be taken seriously and the investigation team or Compliance Officer will make decisions based on the nature and seriousness of the allegation and facts of each case, whether to consult with legal counsel or to utilize law enforcement institutions to further the investigation.

5.3.5. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

5.3.6. If the investigation substantiates those fraudulent activities have occurred, the Compliance Officer will issue an investigation report to the GM. If appropriate, the Compliance Officer will report to the Board of Directors.

5.4. CORRECTIVE ACTION

5.4.1. Depending on the seriousness of the offense and the facts of each case, actions against an employee can range from written warning and a probationary period, up to and including dismissal where appropriate, to legal action, either civil or criminal. In cases involving monetary losses the Company will pursue recovery of losses.

5.4.2. Individuals at all levels of the Organization will be treated equally regardless of their position, years of service, or affiliation with the Company.


5.4.3. Specific Actions:

5.4.3.1. Decisions to prosecute or refer investigation results to the appropriate law enforcement and/or regulatory agency for independent investigation against any employee and/or contractor and/or business partner will be made in consultation with legal counsel and the Board of Directors.

5.4.3.2. If an investigation results in a recommendation to terminate an employee, the recommendation will be reviewed for approval by the respective human resources personnel, the employees' supervisor, the respective Manager, and if necessary, by legal counsel before any such action is taken.

5.4.4. Final determination regarding actions against an individual or business found to have committed fraud or corruption will be made by the Board of Directors.

Signed and approved by the Board of Directors of SMHL
DATED 8th DAY OF JANUARY 2024


Albert Gulama
Chairman
Board of Directors