

FAIRMINED PREMIUM DISCOUNT TABLE

kgs		
Fr	To	Fairmined Premium
1	29	\$ 4,000
30	40	\$ 3,700
41	50	\$ 3,600
51	60	\$ 3,500
61	70	\$ 3,400
71	80	\$ 3,300
81	90	\$ 3,200
91	100	\$ 3,100
101	110	\$ 3,000
111	120	\$ 2,900
121	130	\$ 2,800
131	140	\$ 2,700
141	150	\$ 2,600
151	160	\$ 2,500
161	170	\$ 2,400
171	180	\$ 2,300
181+		\$ 2,200

PROPOSED GENERAL TERMS OF THE DISCOUNT TABLE

- The discount rate which may be applied is for the aggregate total volume the licensee committees to purchase from all of the Fairmined certified **artisanal and small-scale mining organizations** “ASMOs” over the following 12 months.
- In order for the Licensee to access the discount rate, the licensee must commit to buying 25% of the total volume of gold from **vulnerable ASMOs** at the full Fairmined Premium of \$4000 US/kg up to a maximum required volume of 40kgs.

Vulnerable ASMOS are those that meet one or more of the following criteria:

1. Produce less than 40 kg annually,
2. Who received certification for the Standard Year 0 in the previous 6 months.
3. Which have sold less than 50% of their Fairmined gold produced over the previous 6 months (excluding ASMO which have sold more than 30kg).

The Fairmined account manager will inform the licensee of the list of the vulnerable ASMOs.

- The purchase commitment may be divided amongst various ASMOs.

- The discounted rate can only be applied for purchase agreements of at least 20 kg per year with each ASMO.
- The discount table rates represent the minimum discount which can be applied. It does not represent a fixed Premium rate. ASMOs may negotiate a higher premium.
- The final purchase agreements must be documented in accordance with section 5 of the Fairmined Standard.
- The Premium discount table will be revised annually.
- If the buyer has an agreement to purchase volumes at which a discount rate is applied, but the buyer does not fulfill the purchase agreement by the end of the purchase period as set out in the documented agreement with the ASMO (max. one year), no further discounts may be received and the buyer cannot make additional agreements until the original agreement has been fulfilled. ARM will monitor the fulfillment of the discount agreements.
- Previous agreements made prior to the publication of the Premium discount table between licensees and ASMOs will be respected.

In the event that there are not sufficient available volumes or it is not viable to purchase the required volume of kilograms from vulnerable ASMOs, a resolution will be evaluated on a case by case basis by ARM.

Example:

A Fairmined licensee commits to purchase 160kg over the next year.

There are 4 certified ASMOs who can supply them with Fairmined gold.

ASMO A produces 24 kg in the year.

ASMO B produces 30 kg in the year.

ASMO C produces 60 kg in the year.

ASMO D produces 100kg in the year.

25% of the 160kg must be purchased from vulnerable ASMOs at full Premium of \$4000: 160kg * 25% = 40 kg.

The discount rate may be applied to the remaining 120kg purchased.

One scenario of how the Licensee can source the Fairmined gold is:

Purchase 20kg from ASMO A @ \$4000

Purchase 20kg from ASMO B @ \$4000

Purchase 50kg from ASMO C @ discount rate for 160kgs (see tables)

Purchase 70kg from ASMO D @ discount rate for 160kgs (see tables)