

# Suppliers

## MISSION

Regarding our suppliers, at Molymet we have set out to create alliances and establish long-term relationships to achieve synergies and mutual benefits that allow us to have greater efficiency and achieve the operational continuity of our plants. We have an important plan that considers the renegotiation and tendering of contracts. Our commitment is that the conditions of our contractors are competitive in the industry.

**Edgar Pape Arellano**  
VP Operations America

Molymet is committed to its suppliers as part of the Pro Pyme Seal program, being responsible for guaranteeing timely payments and ensuring transparent tenders. In addition, we give the opportunity for new suppliers to enter and we accompany them comprehensively in the process, from their application to the final delivery of a first-class service.

**Daniel Ureta Vial**  
CEO MolymetNos



## CHAPTER 05

# PRODUCTIVE UNITS

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# CEOs PRODUCTIVE UNITS



**Klaus Andersson**  
**CEO CM Chemiemental GMBH, Germany**  
 PhD in Engineering and Metallurgical Engineer  
 Foreign Rut  
 Took office in: 1/1/2011



**Braulio Cid Díaz**  
**CEO Complejo Industrial Molynor S.A., Chile**  
 Chemical Civil Engineer  
 RUT: 15.174.000-6  
 Took office in: 1/10/2018



**Leonardo Moraga Hernández**  
**CEO Carbomet Energía S.A., Chile and Inmobiliaria San Bernardo S.A., Chile**  
 Electrical Engineer  
 RUT: 13.574.582-0  
 Took office in: 1/6/2017  
 Cessation: 30/11/2019

**Carlos Pinto Fornés**  
**CEO Carbomet Energía S.A., Chile and Inmobiliaria San Bernardo S.A., Chile**  
 Naval Electrical Engineer  
 RUT: 7.855.193-3  
 Took office in: 1/12/2019



**Alfredo Ortega Terán**  
**Chief Director Molymex S.A. de C.V., Mexico**  
 Bachelor of International Business  
 RUT: 22.436.723-6  
 Took office in: 1/12/2012



**Daniel Ureta Vial**  
**CEO MolymetNos, Chile**  
 Industrial Civil Engineer  
 RUT: 10.745.815-8  
 Took office in: 1/2/2019



**Godfried Van Schuylenbergh**  
**CEO Sadaci N.V., Belgium**  
 Chemical Civil Engineer  
 Foreign  
 Took office in: 1/1/2017

## ■ CARBOMET ENERGÍA S.A.

Carbomet Energía S.A.'s purpose is the production of energy, by itself or through third parties, the purchase of energy from third parties, its transmission, transformation, distribution and commercialization, as well as other activities specific to the company.

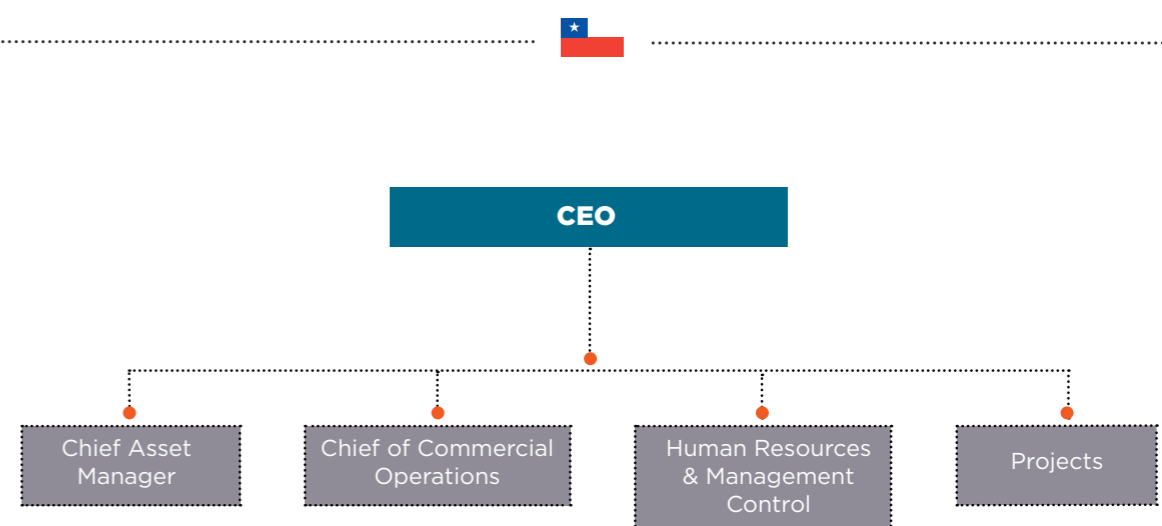
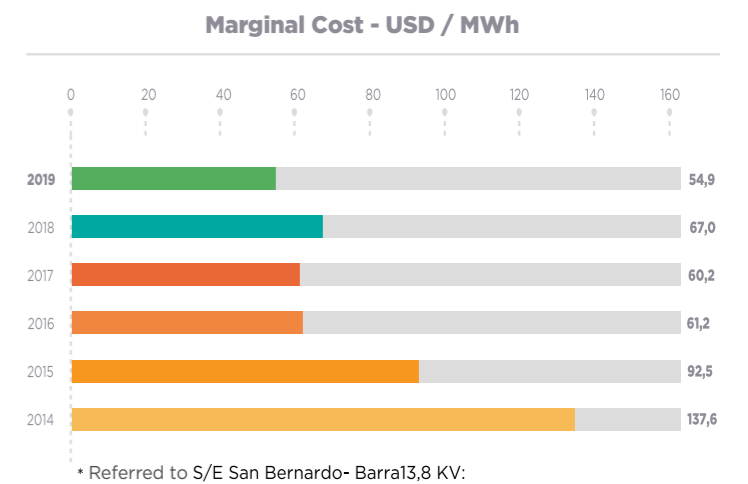
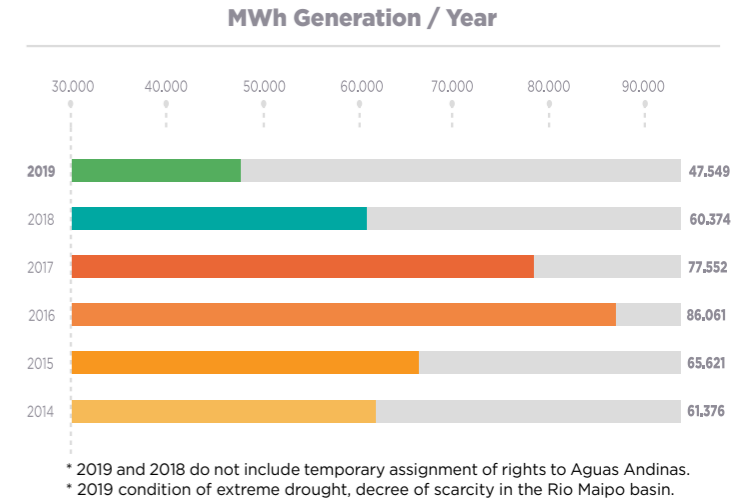
The energy and electric power are commercialized in compliance with the current regulation (General Law of Electrical Services), which establishes three ways of commercialization, namely: sale to regulated customers (via supply tenders called by the National Energy Commission), sale to free clients and sale to the market of transactions between generators (SPOT). The energy generated is mainly destined for sale to free clients and the surplus production is commercialized in the SPOT market.

Regulation of the electricity sector is broad and well defined for generation, transmission and distribution activities, being the first segment within which Carbomet Energía S.A. carries out its activity

A second classification, which began to govern in 2005 with the publication of the decree with the force of Law No. 244, places the company within a group called Small Distributed Means of Generation (PMGD). The relevant PMGD market is open and competitive, presenting extensive regulation, both in aspects related to commercialization, as well as technical and procedural aspects.

In general terms, electricity is generated and sold in the order of 50 to 85 GWh per year, which depends on the hydrological conditions that occur in the Maipo river basin, energy that is valued at the marginal cost reported by the National Electric Coordinator (CEN).

As of December 31, 2019, Carbomet Energía S.A. has a staff of one executive, 17 professionals and technicians, and 14 workers, for a total of 32 collaborators.



## ■ CM CHEMIEMETALL GMBH

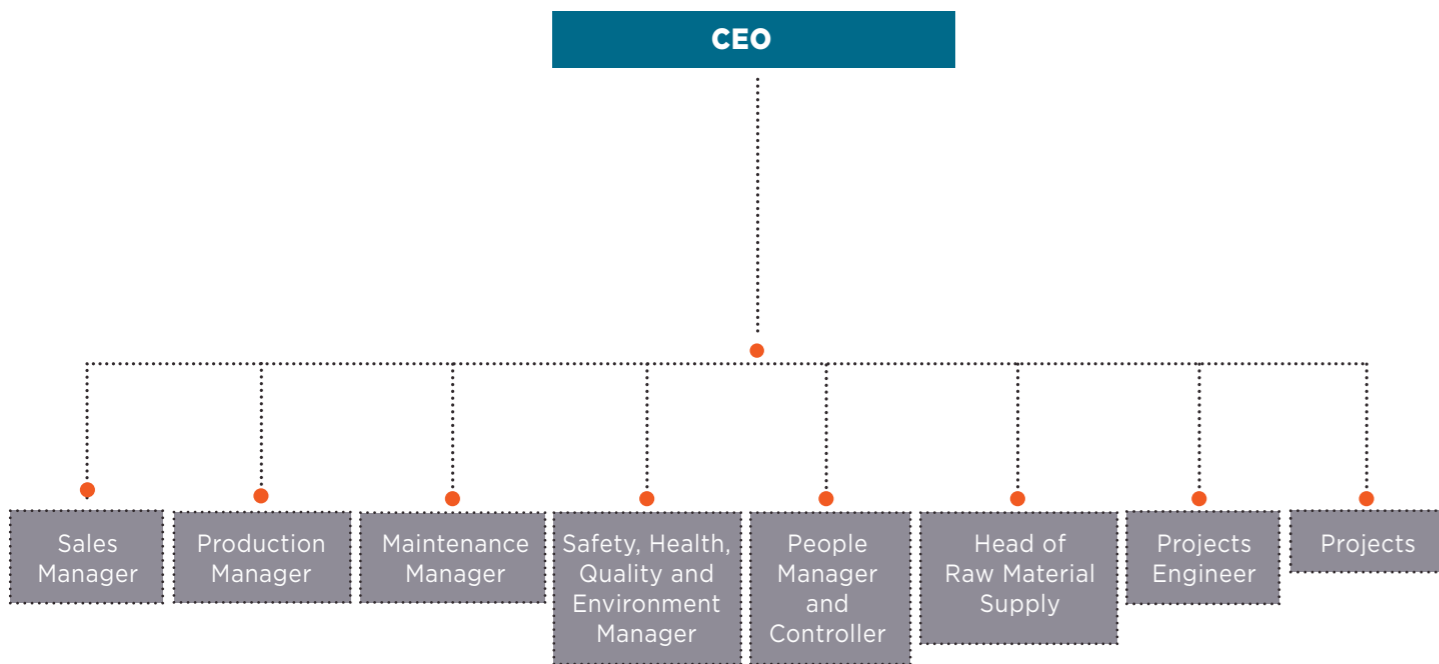
Chemietmetall is located in the city of Bitterfeld-Wolfen, Saxony-Anhalt state, 30 km north of the city of Leipzig and 120 km south of Berlin, Germany.

Chemietmetall specializes in the production of high purity molybdenum metal powders according to the specifications of each client.

Molybdenum metal powder production capacity increased from 2,300,000 pounds to approximately 3,600,000 pounds during 2019.

In addition to Chemietmetall's primary product molybdenum metal powder, the plant produces and sells molybdenum dioxide, molybdenum metal briquettes, and high-density molybdenum metal powders.

As of December 31, 2019, the total count was 63 employees, including three trainees and three mini-jobbers. 45 people work in the production areas; 18 people perform functions in management, administration, sales, comptroller and purchasing tasks.



## ■ COMPLEJO INDUSTRIAL MOLYNOR S.A.

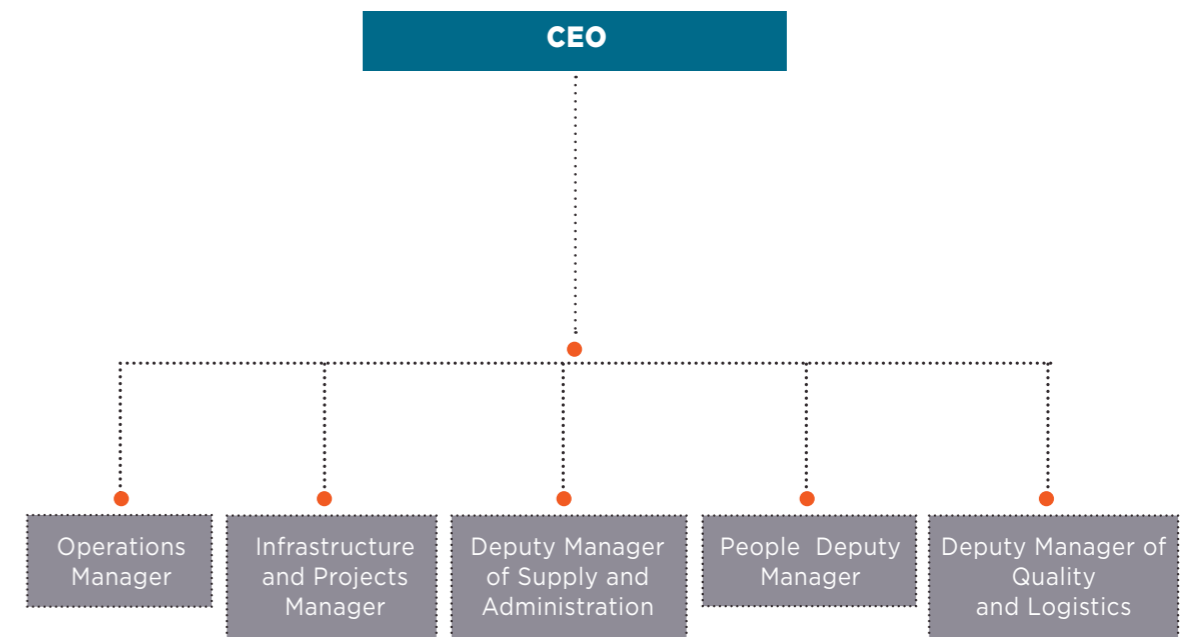
Molynor started operations in 2010, with a processing capacity of 30 million pounds of molybdenum per year. This processing capacity was increased in 2013 to 60 million pounds of molybdenum per year, after the installation of a second roasting oven. Subsequently, in 2015 the operations of the concentrate cleaning plant began, in this way, Molynor became an autonomous subsidiary for the production of commercial molybdenum oxide.

Molynor has two main process lines:

**1. Concentrate roasting process**, with two roasting ovens, gas treatment plants, oxide packaging plant and solvent extraction plant.

**2. Concentrate cleaning process**, with a ferric chloride leaching plant, a copper cement plant and a chlorination plant.

The human team that operates this plant is made up of 220 collaborators, of which 12% correspond to women. On average, people who work at Molynor today have been with the company for four years.



## ■ INMOBILIARIA SAN BERNARDO S.A.

The purpose of the company is to make all kinds of investments in real estate or otherwise, corporeal or incorporeal, by itself or through third parties; the commercial or real estate exploitation of rural or urban land, owned or others, and the administration of said goods; the activities of export and import of agricultural products, and the purchase and sale of agricultural products.

All the production has organic certification under the national standard, Law 20.089, which, thanks to the homologation treaties, allows entering the European and Brazilian markets. Similarly, there are certifications for specific markets, such as the US, Japan and South Korea. The activities are also certified under the Global Gap standard for ISBSA orchards, thus maintaining good agricultural practices; HACCP for the control of critical points in the agro-industrial process, in order to ensure a product that is harmless to human health, and Kosher, a certification aimed at practitioners of the Jewish religion.

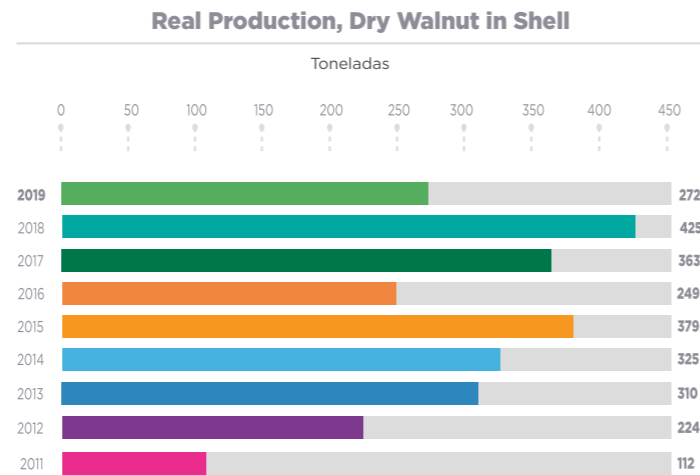
In general terms, walnut is marketed preferably as a walnut without shell, since in the latter format there is a greater willingness to pay by customers, given its organic production.

The target market is mainly made up of Europe (Germany, Italy, Switzerland), the USA, Japan, Israel and Brazil.

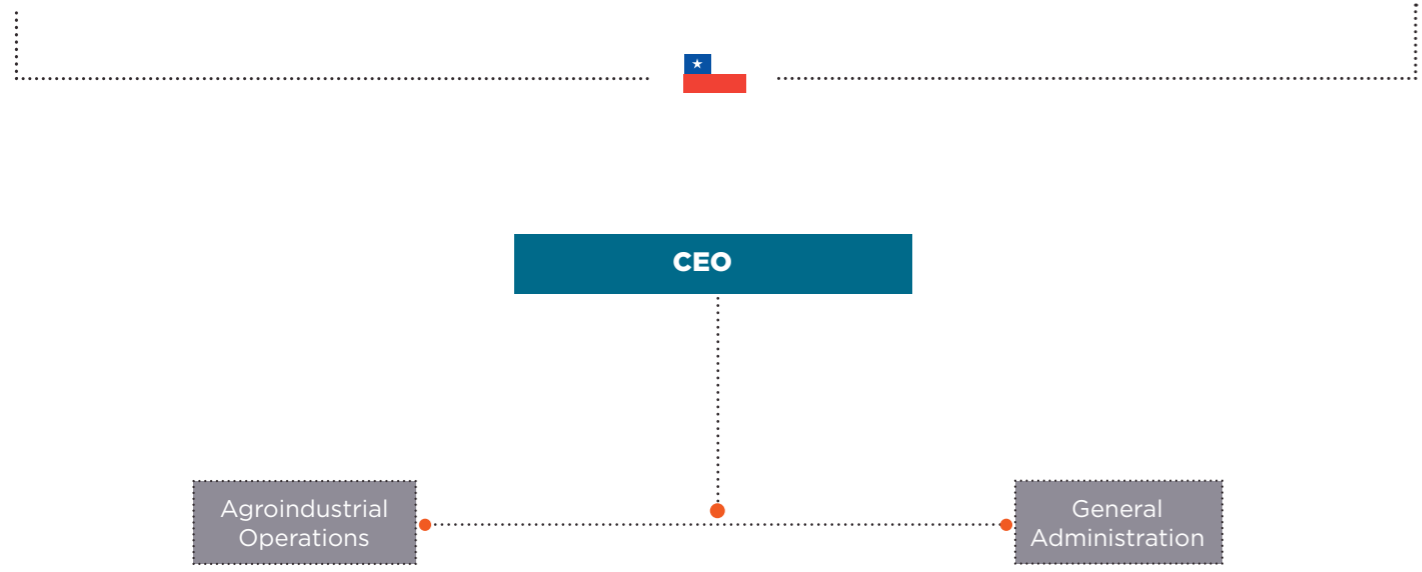
The marketing of organic walnuts from our own production is carried out under the “Geonuts” brand, which is duly registered in the European Union, Switzerland, Brazil, South Korea, Colombia and soon in the USA.

The existing idle capacity is used to provide midwifery services to organic farmers.

The production of walnuts, corresponding to the period 2011 -2019, is shown in the following graph.



As of December 31, 2019, Inmobiliaria San Bernardo S.A. has a staff of one executive, 11 professionals and technicians and 19 workers, for a total of 31 employees.



## ■ MOLYMETNOS

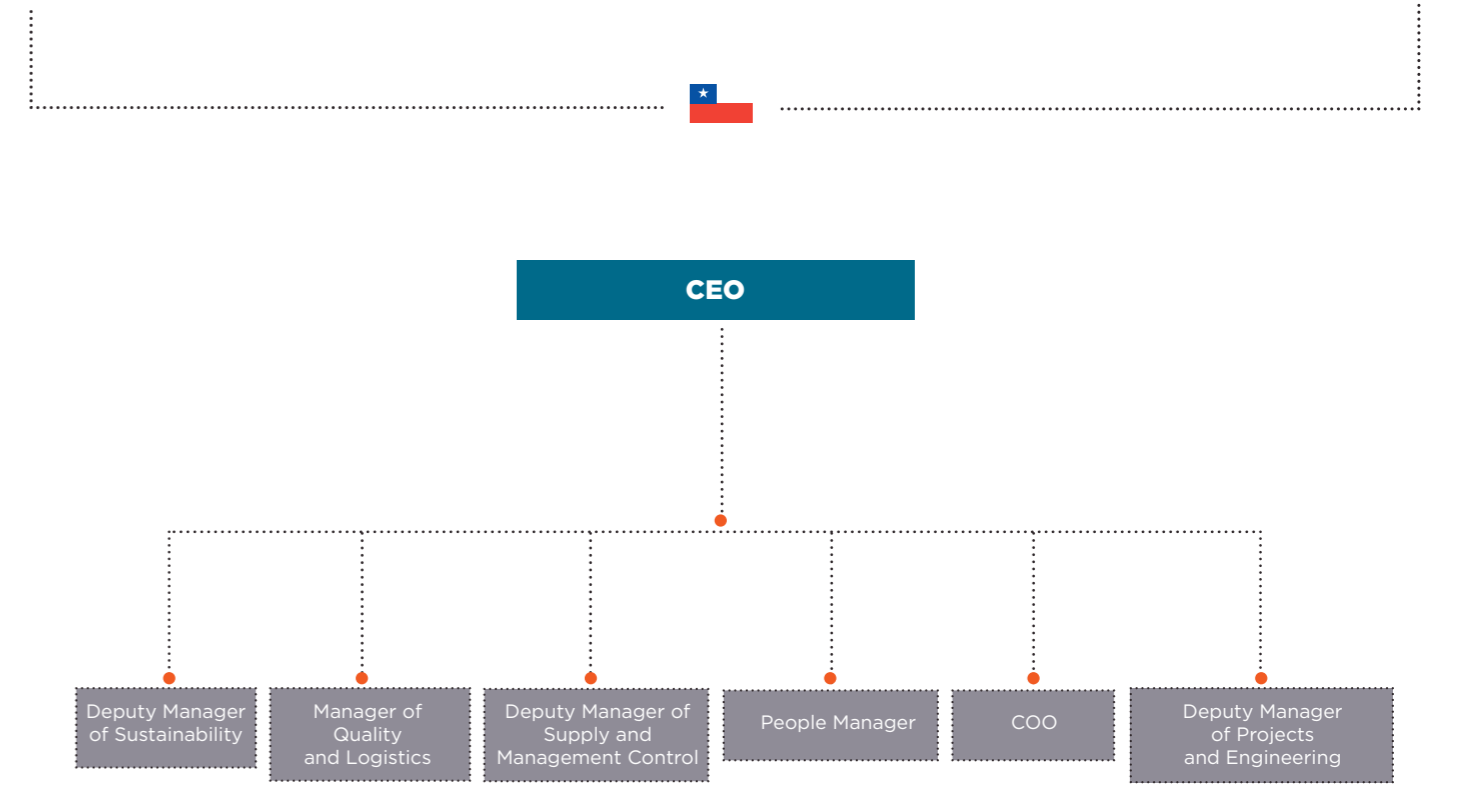
It has 44 years of experience in the processing of molybdenum concentrate, from the copper mining in Chile and abroad.

The following final products are obtained from these processes: molybdenum oxide in its technical and pure grades, ferromolybdenum, molybdenum salts, molybdenum metal, molybdenum dioxide, rhenium metal, ammonium perrenate and perrenic acid. Additionally, and as a consequence of its environmental control processes, sulfuric acid, copper cements and copper cathodes are produced.

MolymetNos has plants that ensure the highest quality products for customers around the world, using state-of-the-art technology developed by its engineering, research and development area and in its own laboratories, with management characterized by its sustainability, and its respect and care for the environment.

Its installed capacity reaches 86 million pounds of molybdenum per year.

At the end of December 2019, MolymetNos registered a staff of 597 workers, of whom 42 are temporary workers. In addition, 43 women work in MolymetNos, corresponding to 7.2% of the workforce. 69.6% of the MolymetNos staff is unionized.



## ■ MOLYMEX S.A. DE C.V.

Molymex, in Cumpas, Sonora state, Mexico, has a roasting plant with an annual capacity equivalent to 29.3 million pounds of molybdenum content, a briquette plant and a capacity in the concentrate conditioning plant of 28 million pounds.

Molymex supplies raw materials for the conversion process for two main lines of business; purchases made from suppliers related to copper mining, where there is a main supplier, Mexicana de Cobre S.A. de C.V., which represents 68% or more of the supply, and milling, where

the raw material is received for transformation into finished products. In this particular segment there is a main client, Kennecott Molybdenum Company, which represents 30% or more of the turnover.

As of December 31, 2019, Molymex S.A. of C.V. has a staff of 5 executives, 77 professionals and technicians, and 55 workers, for a total of 137 employees.



**Chief Director**



## ■ SADACI N.V.

Sadaci NV is a Belgian company whose shares are 99.999999% owned by Molymet's subsidiary, Strategic Metals BVBA, and 0.00001% by Molymet Carbomet Industrial S.A.'s subsidiary, since its acquisition in January 2003.

Strategically located on an area of 26.1 hectares in the industrial district of the port of Ghent, Belgium, it has competitive advantages for supplying the European market, particularly in the steel industry, as well as in the reception of concentrates from all over the world, through the main ports of northern Europe.

Sadaci has a roasting plant with an annual capacity of 35 million pounds.

In 2019, FeMo production decreased by more than 25% due to difficult market conditions in the iron and steel industry and imports from outside the European Community.

In 2019, construction work was carried out on the new pure molybdenum oxide chemical plant. The commissioning of this plant began in August and the start of operations, with a capacity of 12 million pounds of Mo, is scheduled for 2020.

In April 2019, the permission was granted for the construction and operation of a windmill at the Sadaci facilities. It is an important milestone for the company to fulfill its commitment to further reduce the company's environmental impact. In line with a sustainable vision, Sadaci voluntarily submitted, in November 2019, an energy study to the Belgian authorities for the period 2019-2022, which focuses on improvement projects for energy efficiency in current and future Sadaci facilities .

The company's staffing as of December 31, 2019 was 144 people.



**CEO**

