



Silver Gold Bull Inc.
Forced Labour and Child Labour Report

Introduction

This Forced Labour and Child Labour Report (this “**Report**”) is submitted by Silver Gold Bull Inc. (“**SGBI**”, “**we**”, “**us**” or “**our**”) for the financial year ending April 30, 2024 and is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (Canada), also known as the Modern Slavery Act (the “**Act**”). This is not a revised version of a previously submitted report.

This Report applies to, and describes the reasonable steps taken by SGBI to mitigate forced labour and child labour in our organization’s operations and supply chains. SGBI is an online seller of gold, silver, and platinum bullion, bars and coins, precious metals and jewelry, among other items (our “**Products**”) selling primarily to investors and collectors. When customers buy bullion from SGBI, customers are receiving a product that has been received directly from reputable mints and storied suppliers, such as the Royal Canadian Mint. SGBI’s orders undergo audits and a chain of custody logistics that certifies the authenticity of the Products.

Respect for Human Rights

SGBI fully supports the objectives of the Act and opposes the use of all forms of forced labour and child labour, including in our operations and our supply chain. Respect for human rights is fundamental to our values and to the wellbeing of the communities in which we operate.

As set out in the United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”), business enterprises have a responsibility to respect internationally recognized human rights. The responsibility to respect human rights requires that business enterprises: (a) avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur; and (b) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

SGBI is headquartered in Calgary, on the territories of Indigenous peoples, including the First Nations of Treaty 7 as well as other non-Treaty First Nations and Métis. We are committed to reconciliation.

Steps taken during the last Financial Year to Prevent and Reduce Risk that Forced Labour and Child Labour used in our Supply Chain [Section 11(1) of the Act]

SGBI is committed to operating ethically, following practices, policies and standards in compliance with the objectives of the Act and applicable labour and employment laws. As part of this commitment, we acknowledge the importance of considering modern slavery and child labour within our supply chains and activities.

In 2023, SGBI had not begun to undertake activities specifically to address the objects of the Act. However, to ensure the authenticity and quality of our Products, we deploy strict measures to monitor and confirm the accuracy of our supply chain.

Specifically, we ensure that our suppliers are reputable by being members of the London Bullion Market Association (“LBMA”) or procuring their materials from LBMA sources. Being a member of the LBMA requires the sourcing of metals to be subject to the LBMA’s Responsible Sourcing programme, which is based on the OECD’s Due Diligence Guidance and efforts to combat money laundering, threat financing, and human rights abuses.

The LBMA Responsible Sourcing Programme is mandatory for all Good Deliver Refiners wishing to trade with the London Bullion market. According to the LBMA website, the Responsible Sourcing Programme ensures the continuous improvement of responsible sourcing business practices to assure clients that all metal sourced from LBMA Good Delivery Refiners is free from threat financing. The Programme follows the five-step due diligence framework set out in the OECD Guidance and requires listed refiners to demonstrate their efforts to combat money laundering, terrorist financing and human rights abuses, and respect the environment globally.

In addition to ensuring that our suppliers are reputable by being members of the LBMA or procuring their materials from LBMA sources and confirming the identity of all our suppliers, we also gather certain verifiable government information and identification as part of employee onboarding procedures to ensure that all workers legally entitled to be working for SGBI.

Corporate Structure, Activities and Supply [Section 11(3)(a) of the Act]

Corporate Structure:

SGBI is a corporation incorporated pursuant to the *Business Corporations Act* (Alberta). SGBI employs approximately 70 employees exclusively in Canada. SGBI controls a number of wholly owned subsidiaries, none of which are reporting entities under the Act. SGBI’s policies and procedures apply to all subsidiaries. SGBI is headquartered in Calgary Alberta, Canada. SGBI’s Business Number is 846142024.

Activities, Supply Chain and Operations:

SGBI is committed to complying with all applicable laws and regulations, including in respect of forced labour and child labour, and we expect our suppliers to demonstrate the same commitment in the regions in which they operate. We acknowledge the risk of forced labour and child labour existing in any complex supply chain. Particularly for our organization, there is a risk where raw materials, particularly gold, silver and platinum, that are procured by our suppliers from one or more other entities that we do not have direct interaction. However, we attempt to minimize this risk by purchasing only from LBMA members or from entities that procure their materials from approved LBMA sources.

SGBI purchases the majority of our Products directly from A-Mark Precious Metals, Inc., a precious metals trading company (“A-Mark”), or through other members of the LBMA, who purchase directly from sovereign mints and storied suppliers. Our suppliers import our Products into Canada from sovereign mints and other distributors located primarily in US, Mexico, Australia, the UK, and China. We ship or arrange our product to be shipped globally to customers around the world. The top three countries where our Products were shipped were Canada, the USA, and Germany, however the vast majority of our shipments were to customers located in Canada and the USA.

Our procurement primarily consists of gold, silver and platinum, from various sources, primarily A-Mark who procures directly from sovereign mints, as well as from other premium suppliers such as Pamp Suisse Gold. For the fiscal year ending April 30, 2023, we purchased approximately \$548,103,232 worth of base metals, gold, platinum, palladium, silver and accessories. From May 1, 2023 to April 30, 2024, we purchased approximately \$439,364,246 from our suppliers.

Overall, in the 2023 fiscal year, SGBI utilized approximately 12 primary suppliers in procuring our Products. SGBI lists many of our suppliers of Products directly on our website. Approximately 78 percent of SGBI's total procurement spend was on goods acquired from its main supplier, A-Mark, who located in the USA. Moreover, approximately over 90 percent of SGBI's total procurement spend was on goods acquired from its top 7 suppliers, which are located in Canada, USA, New Zealand, and Australia. SGBI's total procurement spend for the previous two financial years approximately total \$988,467,478.

The top three Products sold by SGBI in the 2023 fiscal year were the (i) Royal Canadian Mint Silver/Gold bars and coins, (ii) the Silvertowne Mint Silver Bars and rounds, and (iii) the Sunshine Mint Silver bars and round and Gold Bars.

Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour [Section 11(3)(b) of the Act]

We have internal policies and processes in place to promote and ensure the authenticity of our Products. Specifically, we aim to ensure that our supplies are members of the LBMA or procuring their materials from LBMA sources, requiring the sourcing to be subject to the LBMA's Responsible Sourcing programme which is based on the OECD's Due Diligence Guidance and efforts to combat money laundering, threat financing, and human rights abuses. At this point, SGBI does not have any formal external policies or processes in place that are specific to the prevention of forced labour and child labour in our supply chain as we rely on the due diligence and guidelines of the LBMA.

Risk Assessment and Management [Section 11(3)(c) of the Act]

We believe that our activities in Canada carry a lower risk of forced labour and child labour being utilized because we only use the highest quality suppliers to guarantee the authenticity and the quality of our Products. However, we acknowledge that our largest risk likely relates to the raw materials, particularly gold, silver and platinum that our suppliers obtain and process into bullion, bars, coins and other products. We also acknowledge that our suppliers may source raw materials from jurisdictions that have a higher risk of modern slavery and child labour. However, we attempt to minimize this risk by purchasing only from LBMA members or from entities that procure their materials from approved LBMA sources.

Forced Labour and Child Labour Remediation Measures [Section 11(3)(d) of the Act]

We have not identified any forced labour or child labour practices occurring within our supply chain and we believe that our supply chain presents a low risk of forced labour or child labour being utilized. Accordingly, we have not undertaken any measures to remediate any forced labour or child labour to date.

Loss of Income - Remediation Measures [Section 11(3)(e) of the Act]

We have not identified any forced labour or child labour practices occurring within our supply chain and we believe that our supply chain presents a low risk of child labour or forced labour being utilized. Accordingly, we have not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

Training [Section 11(3)(f) of the Act]

Other than general employee onboarding and training, which includes a review of a code of conduct and anti-money laundering training, SGBI does not currently offer training to its employees or to employees of its subsidiaries on the prevention of forced labour and child labour. SGBI provides reoccurring training to employees on anti-money laundering on an annual basis.

Assessing Effectiveness [Section 11(3)(g) of the Act]

SGBI does not currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour or child labour are not being used in its activities and supply chains. Accordingly, we have not taken action to assess our effectiveness at preventing and reducing risks of forced labour and child labour in our activities and supply chains.

Approval and Attestation

This Report has been approved by the Board of Directors of Silvery Gold Bull Inc. in accordance with Section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Per: 
Name: Nikolas Morianos
Title: Managing Partner
Date: May 30, 2024

I have the authority to bind Silver Gold Bull Inc.