



Cortec's Statement on Conflict Minerals

In July 2010, President Barack Obama signed into law the Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act. Among other things, this law directed the U.S. Securities and Exchange Commission ("SEC") to enact rules obligating certain publically traded manufacturing companies to annually report whether the products they manufacture or contract to manufacture contain "Conflict Minerals" that are necessary to the functionality or production of those products. The SEC published its Conflict Minerals rule in August 2012.

Under this rule, Conflict Minerals are essentially tin, tungsten, tantalum and gold that are mined either in the Democratic Republic of Congo ("DRC") or one of nine African nations that share a border with the DRC (the "DRC Region"). The goal of the SEC rule is to help end civil conflict and human rights abuses in the DRC Region committed by armed militant groups by denying revenue to those groups that derive their funding from control of mines in the DRC Region that produce Conflict Minerals. Cortec Precision believes we comply with the requirements of the SEC's Conflict Minerals rule and expects our suppliers to do the same. However, Cortec Precision does not directly purchase raw metal ores that may be used in the manufacture of our products from smelters or mines. Rather, we are several supply chain layers removed from the mining and processing of these metals, and as a result, we do not have first-hand knowledge of their source.

Accordingly, Cortec Precision, like many other manufacturers, has decided to use the Responsible Business Alliance (RBA) formerly Electronic Industry Citizenship Coalition – Global e-Sustainability Initiative ("EICC – GeSI") Reporting Template to ask our suppliers about the presence of Conflict Minerals in their products and, as applicable, the origin of any such Conflict Minerals. Cortec Precision expects that its suppliers will, in turn and as necessary, perform the same due diligence by asking their suppliers about the presence, source and origin of any Conflict Minerals in the products of their sub-suppliers, and that this information will be shared with Cortec Precision.

The process of tracing Conflict Minerals through a global supply chain is complicated and time-consuming, and some component suppliers or sub-suppliers may lack the resources to trace minerals all the way back to their source. Cortec Precision will continually endeavor in good faith to have its suppliers exercise reasonable due diligence to evaluate their respective supply chains for the information called for by the Conflict Minerals rule.

We will continue to evaluate our policies to ensure compliance with the SEC's Conflict Minerals Rule and make adjustments when necessary.

Sincerely,
Cortec Management