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Pacific Power Source, Inc.’s Statement on Conflict Minerals

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Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act) enacted in July 2010 directs the U.S. Securities and Exchange Commission [SEC] to create a Rule that imposes new supply chain reporting requirements on publicly traded companies regarding the use of “conflict minerals” columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives (tantalum, tin, gold and tungsten) that directly or indirectly finance or benefit armed groups in that region.

While Pacific Power Source, Inc [PPS] is a privately held company and not bound by the SEC Rule, PPS supports the spirit of the Rule and our publicly held customers’ efforts to eliminate the use of tantalum, tin, gold and tungsten from improper sources that could promote such serious problems in the DRC and adjoining countries.

Like many companies in the electronic industries, PPS uses components that by their very nature of operation or manufacture contain tantalum, tin, gold and tungsten. Each of these metals has specific electrical properties which are necessary for the function of our products.

PPS will require suppliers whose products contain tantalum, tin, gold and tungsten submit this information to PPS using the standardized EICC/GeSI Conflict Minerals Reporting Template that traces the metals back through the supply chain.

Our objective is to have a conflict-free supply chain. If PPS becomes aware of a supplier whose supply chain includes metals from a conflict source, PPS will take the appropriate actions to address the situation in a timely manner. PPS expects our suppliers to take similar measures with their suppliers to ensure alignment throughout the supply chain.