



## **Mezzarion KYT Charter**

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Title: Know Your Transaction (KYT) Charter – Transaction Integrity for Mining, Trade, Investment, and Financing Support

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Applies To: (i) all Mezzarion internal transactions across Mining, Trade, and Investment; and (ii) all external counterparties engaging Mezzarion for transaction coordination and financing readiness support.

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## 1) Purpose and Dual Use

Mezzarion's KYT Charter serves two purposes:

1. Internal Operating Standard (Mining / Trade / Investment):

A single transaction integrity framework that ensures every Mezzarion deal is coherent end-to-end, deviation-controlled, auditable, and execution-ready.

2. External Financing Readiness Standard (Counterparties / Banks / Insurers / Investors):

A transparent statement of how Mezzarion qualifies and manages transaction files so institutions can review a deal as a bank-grade transaction, not a narrative.

KYT is the control system that separates a “clean-looking file” from a transaction a professional institution can stand behind.

## 2) What KYT Is (and What It Is Not)

- KYC/KYB establishes who a counterparty is (identity, ownership, baseline eligibility).
- KYT establishes what is happening inside a specific transaction as value moves through documents, logistics, and settlement rails.

A counterparty may pass KYC/KYB and still fail KYT on a given deal. That is not a contradiction; that is the system doing its job.

## 3) KYT Principles

Mezzarion's KYT approach is built on five principles:

1. Coherence: The commercial story, documents, logistics trail, and settlement path must reinforce each other.
2. Evidence: Material assertions must be supported by verifiable documentation and milestone evidence.

3. Change Control: Material mid-cycle changes must be explained, evidenced, and re-approved.
4. Default-Deny Authorization: Transactions are not authorized to move value until authorization is explicitly granted.
5. Audit-Readiness: Every transaction must be capable of producing a complete, reviewable transaction file ("bank pack").

#### **4) Where KYT Applies Across Mezzarion's Pillars**

##### A) Mining (internal):

KYT ensures integrity across origin and performance realities: chain-of-custody, assay/inspection alignment, custody handoffs, export readiness, and the consistency of production claims with documentary evidence.

##### B) Trade (internal and external):

KYT governs contract-to-cash coherence: Incoterms, quantities, timelines, document packs (invoice/packing list/COO/inspection/insurance), shipping milestones, and routing logic.

##### C) Investment (internal):

KYT functions as transaction truth management for deal execution: SPV/mandate clarity, use-of-proceeds alignment, disbursement conditions, milestone gating, and enforceable controls over how value moves through counterparties and contracts.

#### **5) KYT Authorization Spine (D0–D5)**

Every transaction governed by Mezzarion KYT follows the same authorization states:

- D0 — Draft (No Trust): File exists for information capture. No operational commitments.
- D1 — Pre-Engagement Cleared: Minimum seriousness threshold met; transaction is eligible for active resourcing.
- D2 — Pre-Shipment Authorized: Contract terms, documentary expectations, and logistics plan are coherent and recorded.

- D3 — Shipment Release Authorized: Shipment may be released/loaded/dispatched under the approved plan.
- D4 — Settlement Authorized: Settlement path is locked and coherent (payer/beneficiary/banks/references aligned); settlement instructions may proceed.
- D5 — Closed (Bank Pack Archived): Reconciliation complete; outcome confirmed; transaction file archived.

Control rule:

- No Ship before D3.
- No Settle before D4.

## 6) Serious Deal Threshold (How We Filter for Seriousness)

Mezzarion engages only when a transaction meets a minimum seriousness standard. Before D1 clearance, we typically require:

- Clear commercial summary (commodity/spec, origin, volumes, Incoterms, timeline)
- Full role disclosure (seller, buyer, end buyer where relevant, agents/intermediaries, logistics and inspection parties)
- Declared settlement approach aligned to transaction terms
- Baseline counterparty due diligence (KYB/KYC and sanctions screening scope appropriate to the transaction)

Mezzarion may pause or decline engagement where transparency is refused, roles are unclear, or the transaction story cannot be validated.

## 7) Change Control (Material Changes Trigger Re-Validation)

Trade and project execution evolves. KYT exists to control “story drift.”

Material changes—such as late-stage beneficiary or settlement detail changes, unexpected third-party payment behavior, significant route changes, substitutions, or documentary contradictions—trigger stop-and-validate. The transaction may be rolled back to an earlier authorization state until coherence is restored and evidence is provided.

## 8) Financing Readiness and Payment Handling

Mezzarion's KYT discipline is designed to produce transaction files that are reviewable by banks, insurers, and professional investors.

Mezzarion does not act as a custodian of client funds. Where escrow structures, bank instruments, or settlement rails are used, funds move through appropriately governed channels consistent with the transaction structure and applicable requirements.

## 9) Records, Confidentiality, and Data Protection

Mezzarion maintains transaction records to support audit readiness, dispute resilience, and institutional review. Data is handled in line with confidentiality obligations and applicable data protection requirements.

## 10) Outcome

The Mezzarion KYT Charter exists to ensure that transactions are coherent, evidenced, deviation-controlled, and auditable—across our internal mining, trade, and investment execution, and in any external financing readiness context where institutional review is expected.

## Annexure A — Serious Deal Pack

Purpose: Required for Mezzarion to activate a transaction at D1 (Pre-Engagement Cleared).

### A. Counterparty & Role Disclosure

- Legal entity details (name, registration, jurisdiction, address)
- Authorised signatory + proof of authority
- Role clarity: seller/buyer/end buyer (if relevant)/agents/logistics/inspection/warehouse

- Full disclosure of intermediaries and contractual basis (no undisclosed principals)

## **B. Deal Summary**

- Commodity/spec/grade and assay basis where relevant
- Origin/source and production/control context (high level)
- Volume + shipment plan (partials/batches)
- Incoterms, load/discharge points, intended route/ports
- Pricing basis (formula/benchmark), currency
- Timeline: readiness, shipment window, settlement window

## **C. Capability Evidence**

Suppliers/producers: capacity/control evidence; inspection approach

Buyers/offtakers: proof of purchasing capability; destination/use case (high level)

## **D. Logistics Readiness**

- Forwarder/shipping/trucking plan (if known)
- Warehouse/collateral management approach (if applicable)
- Constraints: permits, export licences, port limitations, special handling

## **E. Settlement & Payment Intent**

- Intended payment approach aligned to transaction terms
- Payer and beneficiary must match roles

- Any third-party payer/beneficiary must be pre-declared with contractual basis

## **F. Compliance Declarations**

- Support KYB/KYC and sanctions screening requests
- Truthful, consistent representation across the deal file
- Agreement that material changes trigger KYT change control

## **G. What Happens Next**

- Mezzarion opens a transaction file and assigns a reference
- Pack is reviewed for coherence and financeability
- If accepted: transaction is activated at D1 and proceeds through D0–D5
- If not: missing information is requested or engagement is declined

## **Annexure B — D0–D5 Quick Guide + TCT Metrics**

### **A. D0–D5 Quick Guide**

- D0: file opened, no commitments
- D1: serious deal, active resourcing
- D2: coherent plan, prepare execution
- D3: authorised to ship
- D4: authorised to settle
- D5: closed and archived

Hard rules:

- No Ship before D3.
- No Settle before D4.

## **B. Transaction Cycle Time (TCT)**

Mezzarion tracks velocity and reliability using KYT timestamps:

- E2S (Engagement-to-Ship): D1 → D3
- S2C (Ship-to-Close): D3 → D5
- E2C (Engagement-to-Close): D1 → D5

TCT is used internally to improve predictability and assess corridor/counterparty reliability over time.