

Press release

SHALINA RESOURCES LTD CONCLUDES SIGNIFICANT FINANCING AND MARKETING TRANSACTION WITH TRAFIGURA ENABLING NEW SUPPLIES OF COBALT HYDROXIDE AND COPPER CATHODE AT A TIME OF GROWING GLOBAL DEMAND

Singapore, 18 January 2022 - Shalina Resources (“Shalina”) and Chemaf SA (“Chemaf”), a leading vertically integrated copper and cobalt producer in the Democratic Republic of the Congo (DRC), have concluded a financing and marketing transaction with Trafigura Pte. Ltd. (“Trafigura”), one of the world’s leading independent commodity trading companies, enabling new supplies of high grade cobalt hydroxide and copper cathode to be produced at a time of growing global demand.

The transaction amounting to USD600 million, the majority of which is intended to be syndicated by Trafigura to international banks, will enable the completion of the fully mechanised Mutoshi mine and SX-EW processing plant in Kolwezi and the expansion of the Etoile SX-EW processing plant in Lubumbashi. The transaction also covers the marketing by Trafigura of all the cobalt hydroxide produced from these assets operated by Chemaf, Shalina’s DRC subsidiary, which is expected to continue until the end of 2027.

The Mutoshi mine, one of the largest cobalt and copper mines in the DRC with significant resource development upside, is now expected to be producing by the third quarter of 2023. The new production will make Chemaf one of the largest cobalt producers globally at a time when demand for batteries for electric vehicles and copper for increased electrification as part of the energy transition is growing exponentially from customers across the world.

The transaction will provide significant fiscal revenues for the country in royalties, duties and income tax. It will also create significant local employment during the construction phase of the Mutoshi mine as well as during the operation phase with up to 1,000 jobs. In addition, the current local employment of around 1,000 Congolese at the Etoile mine will be secured for an additional 10-12 years.

An important component of the transaction involves Trafigura working with Shalina and Chemaf and using their combined experience to enhance the management of social and environmental impacts in line with international standards such as the OECD’s ‘Due Diligence Guidance for Responsible Supply Chains’ and Trafigura’s own responsible sourcing programme.

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Notes to editors

About Shalina Resources

Established in 2001, Shalina Resources is the parent company of Chemaf SA. With a considerable asset base in the DRC, Chemaf SA is a DRC registered company, founded by Shiraz Virji. Chemaf are specialists in mineral exploration, mining and processing. The company produces London Metal Exchange (LME) grade copper cathodes and is also one of the largest producers of cobalt hydroxide globally. With one of the largest and most promising exploration portfolios in the region, Chemaf is investing in its people and its operating capacity today to meet the needs of the future. Visit: www.shalinareources.com

About Trafigura

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. At the heart of global supply, Trafigura connects the world with the vital resources it needs. Through our Oil & Petroleum Products, Metals and Minerals, and Power and Renewables divisions, we deploy infrastructure, skills and a global network to move commodities from where they are plentiful to where they are needed most, forming strong relationships that make supply chains more efficient, secure and sustainable. Trafigura also owns and operates a number of industrial assets including a majority share of global multi-metals producer Nyrstar and fuel storage and distribution company Puma Energy; and joint ventures Impala Terminals, a port and logistics provider, and Nala Renewables, a power and renewable energy investment and development platform. With over 1,000 shareholders, Trafigura is owned by its employees and employs over 13,000 people working in 48 countries. Visit: <https://www.trafigura.com>