

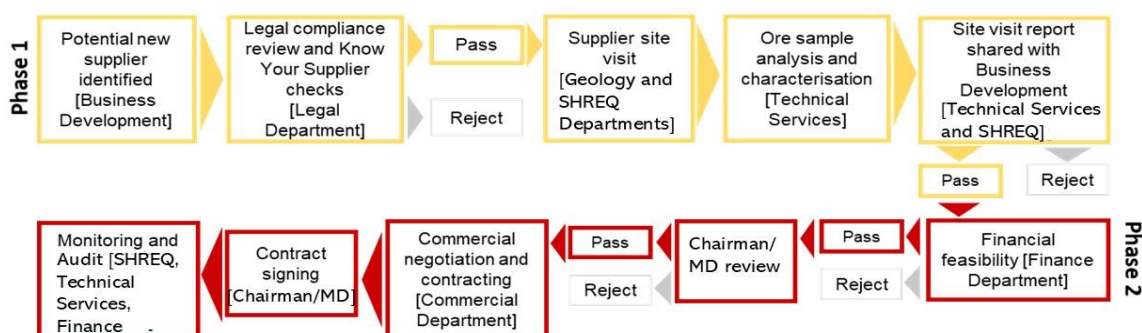
	CHEMAF SA	Doc No: - Chemaf/ IMS /SHREQ/DR-2023
	Due Diligence Report 2023	Revision Number: - 01
		Date: - 01st Nov 2022

2023 report on due diligence activities for Chemaf's copper and cobalt supply chain

V1.0 – August 2024

1. Introduction

This Due Diligence report is based on Step 5 of the OECD Due Diligence Guidelines for Minerals and provides a broad overview of CHEMAF SA's responsible sourcing of copper and cobalt ores in 2023. The company's due diligence process and management system for minerals sourced from third parties are illustrated in the diagram below.




The process is designed to ensure that all materials extracted from our mine sites or sourced from third parties for processing at the Etoile plant are responsibly procured and that the entire production line adheres to international market expectations and OECD guidelines, particularly Annex II of the OECD Guidance.

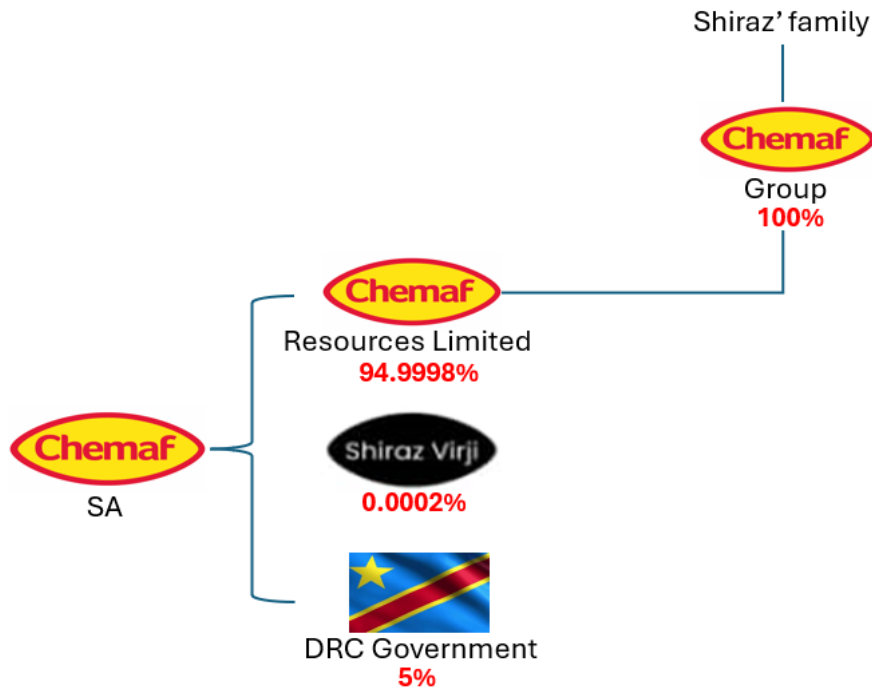
2. Company Information

2.1 Company Presentation

CHEMICAL OF AFRICA SA (CHEMAF SA) is a Congolese company specializing in the exploration, mining, and processing of cobalt and copper, established in 2001 in the Democratic Republic of the Congo (DRC).

The company's share capital is distributed as follows: the Congolese state holds a 5% stake, Mr. Shiraz Virji owns 0.0002%, and Chemaf Resources Ltd, a subsidiary of the Chemaf Group, owns the remaining 94.9998%.

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The Chemaf Resources Ltd (CRL), which is part of the Chemaf Group, has over thirty years (30) of operational experience in the DRC, the Chemaf Group originally began in the pharmaceutical industry and established a lasting presence in the DRC in 1981.

The Group is headquartered in Dubai and continues to operate successfully in the region.

2.2 Company CID Number

The company operates from Etoile Mine, which has all the production assets under the CID number is **CID003264**.

The Etoile Mine, located at Chaussée de Kasenga avenue, Quartier Kalukuluku, Commune Annexe, Lubumbashi, Haut-Katanga, Democratic Republic of Congo.

This facility is processing copper and cobalt products.


2.3 RMAP Assessment Summary

The Etoile Plant underwent its initial Responsible Minerals Assurance Process (RMAP) audit from May 3rd to May 4th, 2019, which assessed the period from January 4th, 2018, to March 31st, 2019. This audit was carried out by Arche Advisor.

Subsequent re-audits took place from April 28th to April 29th, 2022, and for the assessment year spanning January 7th, 2021, to April 8th, 2023. The most recent audit was conducted from September 18th to September 21st, 2023, by Arche Advisor.

The RMAP certification remains valid for one year following each assessment.

The assessment summary report is public and available at www.chemaf.com

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3. Company Supply Chain Policy

The extraction, handling, transportation, processing and trade of minerals and/or final products have the potential to contribute to or result in significant adverse impacts. Therefore, our due diligence process focuses particularly on the social and environmental risks associated with the extraction and processing of copper and cobalt within our operations and supply chain. We are steadfastly committed to avoiding the use of conflict minerals that directly or indirectly finance or benefit armed groups or involve other serious human rights abuses.

To effectively mitigate risks in our mineral supply chain, our sourcing policy is fully aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs). This alignment ensures our practices meet international standards for responsible sourcing.

Our policy is supported by a comprehensive risk register, a crucial tool for tracking risks through a matrix, assessments, and mitigation measures. This risk register addresses all risks identified in Annex II of the OECD Guidance, ensuring proactive management and mitigation of risks related to human rights violations, conflict financing, environmental degradation, and other significant issues. Through this diligent approach, we strive to maintain a transparent and responsible mineral supply chain, fully compliant with industry best practices.

The Mineral sourcing policy is reviewed and approved by the high management for its implementation. It has been widely shared with relevant stakeholders (suppliers, customers, employees etc.) and it is available on the company website at www.chemaf.com.

4. Company Management Systems


Chemaf operates its mineral supply chain programs in accordance with the principles outlined in our Responsible Minerals Sourcing Policy.

Chemaf due diligence efforts are strongly supported by Chemaf's leadership and senior management, including the Chairman of the Board, Managing Director, CSR/ER VP & Company Secretary, VP Operations, Director of Finance & Accounting and SHREQ Manager.

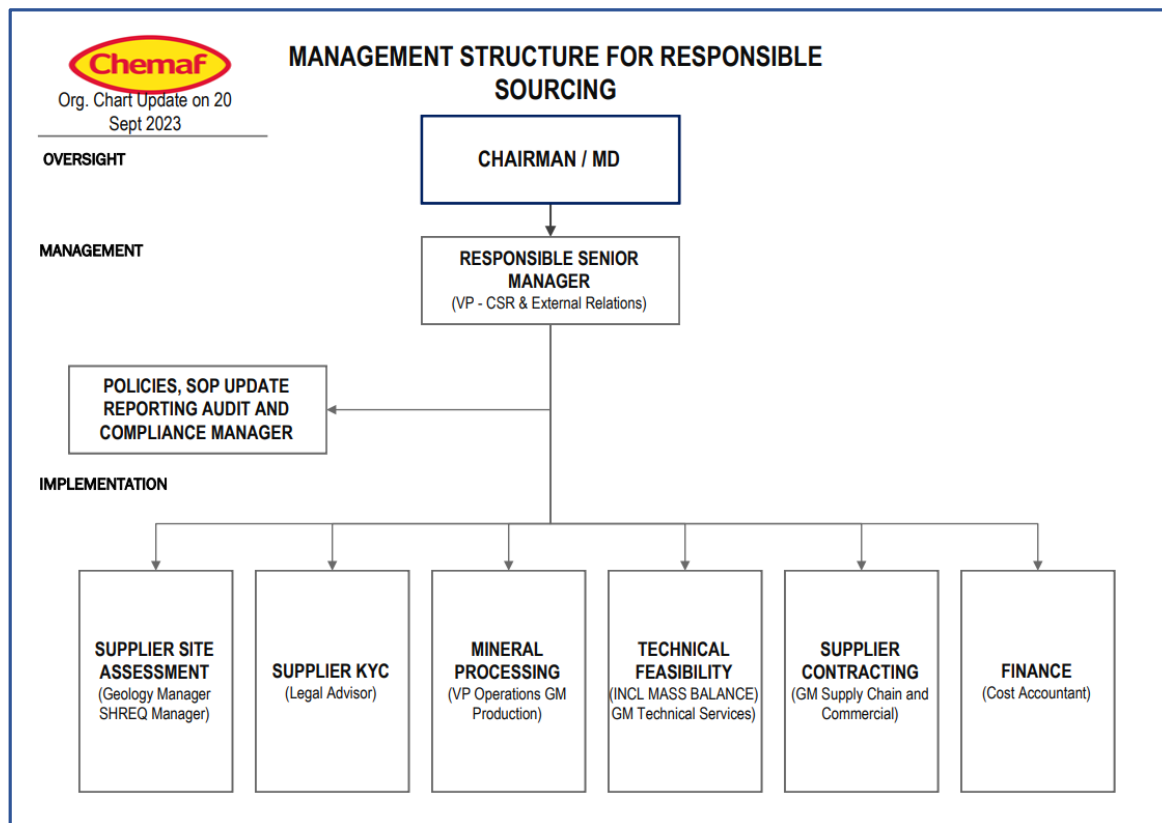
These activities are executed by dedicated management teams responsible for health, safety, environment, community relations, geology, technical services, production, and commercial operations across the company.

Chemaf is committed to building a responsible and sustainable business by collaborating with upstream and downstream partners, regulatory bodies, the DRC government, and non-governmental organizations.


Our goal is to manage our social and environmental impacts effectively while creating opportunities for local communities. This commitment to responsible business practices has remained steadfast throughout 2023.

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The Due diligence program is coordinated as below:



Sr. No	Activity	Responsible
1	Overall responsible	V/P CSR/ER - Business Development - Company Secretary
2	Sites assessments	Geologists and safety officers
3	KYC on suppliers	Legal Dpt
4	Ore Supplier Contract management	Procurement / Commercial manager
5	Overall Mineral process flow	The GM process
6	Mass balance	The GM Technical services
7	Policies & SOP	The Audit and Compliance Mgr
8	Environment, health & safety	SHREQ Mgrs
9	Community	CSR officer
10	Training	HR Training officer
11	Mining activities	The GM Mining

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5. Risk Management (Assessment & mitigation)

The below Chemaf Risk register developed in accordance with Annex II of the OECD Guidance on risks, presents the risk assessments and mitigation measures developed for our operations in 2023.

The evaluation determined that all identified risks are classified as either low or moderate.

We remain committed to enhancing and implementing our due diligence processes across all operations, including those of applicable third-party suppliers. It is important to note that at Etoile, we have not sourced any ore from ASM (Artisanal and Small-scale Mining) operations in 2023, effectively nullifying any associated risks from ASM activities.

5.1 Risk Matrix and Risk Register

Standard Risk Matrix	Hazard Effect/Consequence/Severity				
Loss Type (Additional "Loss Types" may exist for an event; identify and rate accordingly)	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
(S/H) Harm to people (Safety & Health)	First Aid case/ Exposure to minor health and risk	Medical Treatment case/Exposure to major health risk	Lost Time injury/Reversible impact on health	Single Fatality or loss of quality life/irreversible impact on health	Multiple Fatalities/Impact on health ultimately fatal
(EI) Environmental Impact	Minimal Environmental harm - L1 incident	Material Environmental harm- L2 incident remediable short term	Serious Environmental harm- L2 incident remediable within LOM	Major Environmental harm - L2 incident remediable post LOM	Extreme Environmental harm - L3 incident irreversible
(BI/MD) Business Interruption/Material Damage & Other Consequential Losses	No disruption to operation / \$120k to less than R600k	Brief disruption to operation / \$60k to less than \$6m	Partial shutdown / \$6m to less than \$60m	Partial loss of operation / \$60m to less than \$450m	Substantial or total loss of operation / \$450m and more
(L & R) Legal and Regulatory	Lower level Legal issue	Major legal issue; non compliance and breaches of the Law	Serious breach of Law; investigation/report to authority/prosecution and/or moderate penalty possible	Major breach of the Law; considerable prosecution and penalties	Very considerable penalties & prosecutions. Multiple law suits & jail terms
(R/S/C) Impact on Reputation/Social/Community	Slight impact - public awareness may exist but no public concern	Limited impact - local public concern	Considerable impact - regional public concern	National impact - national public concern	International impact - international public concern

SEVERITY	RISK RATING				
5 CATASTROPHIC	5	10	15	20	25
4 MAJOR	4	8	12	16	20
3 MODERATE	3	6	9	12	15
2 MINOR	2	4	6	8	10
1 INSIGNIFICANT	1	2	3	4	5
Interpretation of Risk Level	RARE - 1	UNLIKELY - 2	POSSIBLE - 3	LIKELY - 4	ALMOST CERTAIN - 5
	The unwanted event has never been known to occur in the business; or it is highly unlikely that it will occur within 20 years	The unwanted event has happened in the business at some time; or could happen within 20 years	The unwanted event has happened in the business at some time; or could happen within 10 years	The unwanted event has occurred infrequently, occurs in order of less than once per year & is likely to reoccur within 5 years	The unwanted event has occurred frequently, in industry occurs in order of one or more times per year & is likely to reoccur within one year
PROBABILITY (Likelihood)					

Risk Rating	Risk Level	Guidelines for Risk Matrix
20 to 25 EXTREME	(Ex) - Extremely	Eliminate, avoid, implement specific action plans / procedures to manage & monitor
12 to 16 HIGH	(H) - High	Proactively manage
5 to 10 MODERATE	(M) - Moderate	Actively manage
1 to 4 LOW	(L) - Low	Monitor & manage as appropriate



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#	Risk Name	Risk Description	Cause(s) Description	Consequence(s) Description	Current Controls & Action(s)	New Controls & Action(s)	RESIDUAL RISK RATING - AFTER NEW CONTROLS			
							Consequence rating(1-5)	Probability rating(1-5)	Risk Rating	Risk Level
1	Extraction, Transport or trade of minerals	Human rights abuses	Human right violations	Responsible mineral sourcing contravention to OECD Annex II requirements	1. Voluntary Principles on Human rights and security adopted at Chemaf SA. 2. The VPHRS have been include in various policies and procedures on Chemaf SA 3. Training and awareness of the VPHRS are conducted to Chemaf employees as well as security personnel	1. Internal and external audits on Human Rights policies and procedures at Chemaf	5	1	5	Moderate
2	Public or private security forces	Human rights abuses	Human right violations	Human Rights contravention to OECD Annex II requirements	1. Voluntary Principles on Human rights and security adopted at Chemaf SA. 2. The VPHRS have been include in various policies and procedures on Chemaf SA 3. Training and awareness of the VPHRS are conducted to Chemaf employees as well as security personnel and public security forces employed by Chemaf.	1. Internal and external audits on Human Rights policies and procedures at Chemaf	5	1	5	Moderate
3	Community Relations	Interference with operations by community stakeholders due to dispute with Chemaf. Security risk to employees and contractors	Community dispute	Stoppage of supply chain deliveries as well as product shipment	1. Infrequent engagement pre-Covid with forums held 2. Relocation initiatives	1. Stakeholder engagement program 2. Public Grievance system implementation 3. Good community relations and management	4	1	4	Low
4	Social Governance	Non compliance to social legal requirements as well as world best practice	Compliance to Local government laws and regulations	Inadequate social mitigation	1. Engagement with communities 2. Grievance mechanism	1. Implementing World Bank and Equator Principles to achieve international social management standards	4	1	4	Low
5	Labour Relations	Interference in operations by labour and labour brokers Security risk to employees and contractors	Labour brokers not paying employed labour	Operation interference causing delays to the business plan execution	1. Tender process 2. Contract compilation	1. Contractor management 2. Monthly Contract obligations reviews 3. Regular Contractor engagement	4	1	4	Low
6	Contractor Management	Interference in Operation execution Security risk to employees	Contract dispute Contract companies not paying their employees	Operation interference causing delays to the business plan execution	1. Tender process 2. Contract compilation	1. Contractor management 2. Monthly Contract obligations reviews	4	1	4	Low
7	Child Labour	Any form of forced or child labour for the mining, transport, trade or sale of ores	Breach of DRC Labour Law Non-compliance to Chemaf Child Labour Policy	Forfeit of financial support from financing entities Reputational Damage	1. Compliance to the Chemaf Child Labour Policy	1. Reference to the Child Labour Policy in the Procurement Policy 2. Inclusion of the Policy in the Procurement Contracts with all Stake holders 3. Scheduled audits will be planned to review the compliance to procedures, policies and standards	5	1	5	Moderate
8	Forced Labour	Any form of forced labour for the mining, transport, trade or sale of ores	Breach of DRC Labour Law Non-compliance to Chemaf Labour Policy	Forfeit of financial support from financing entities Reputational Damage	1. Forced Labour Policy	1. Reference to the Forced Labour Policy in the Procurement Policy 2. Inclusion of the Policy in the Procurement Contracts with all Stake holders 3. Scheduled audits will be planned to review the compliance to procedures, policies and standards	5	1	5	Moderate
9	Slave Labour	Any form of slaved labour for the mining, transport, trade or sale of ores	Breach of DRC Labour Law Non-compliance to Chemaf Labour Policy	Forfeit of financial support from financing entities Reputational Damage	1. Modern Slavery Policy	1. Reference to the Modern Slavery Policy in the Procurement Policy 2. Inclusion of the Policy in the Procurement Contracts with all Stake holders 3. Scheduled audits will be planned to review the compliance to procedures, policies and standards	5	1	5	Moderate
10	Direct and in-direct support to non-state armed groups	Reputational impact Legal implications Human rights violations	Security of permit concessions	Reputational impact Legal implications Human rights violations	1. Provision of security forces according to legal requirements for securing the mining concessions	1. External and internal auditing on security management 2. Stakeholder engagement to determine any Human Rights deviations.	4	2	8	Moderate
11	Bribery & fraudulent misrepresentation of the origin of minerals	Reputational impact Legal implications Human rights violations	Non disclosure of ore supply chain	Reputational impact Legal implications Human rights violations	1. Responsible sourcing initiatives 2. RMI audits	None	4	2	8	Moderate
12	Money laundering	Reputational impact Legal implications Human rights violations	Reputational impact Legal implications Human rights violations	Reputational impact Legal implications Human rights violations	1. Implementation of SAP	None	4	1	4	Low
13	Payment of taxes, fees & royalties due to governments	Legal requirements	Legislation requirements	Legislation requirements	1. Compliance with DRC Mining Code 2. Compliance to regulatory requirements of the DRC	None	3	1	3	Low



Annexure

1. Mining operations and ore supply chains in 2023

Mining excavations for ores and feed to of the Etoile hydrometallurgical plant

The summary of mining production and plant feed from different oxide mineralized pockets from the Etoile mine and other sources is described in the table below:

Head	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Avg 23	Cumul-23
Slimes Reclamation	0	0	0	0	0	0	0	0	0	0	0	0		0
Cu contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Co contain	0	0	0	0	0	0	0	0	0	0	0	0		0
HMS Floats and Spirales tails	12	0	0	0	0	3825	12069	8651	0	2692	0	0		27238
Cu contain	0	0	0	0	0	52	162	126	0	32	0	0		372
Co contain	0	0	0	0	0	8	35	28	0	8	0	0		79
Etoile extension feed	0	0	0	0	0	0	0	0	0	0	0	0		0
Cu contain	0	0	0	0	0	0.0	0.0	0.0	0	0	0	0		0
Co contain	0	0	0	0	0	0.0	0.0	0.0	0	0	0	0		0
Kimbaseke Extention	0	0	0	445	14773	4022	8581	27233	38048	36565	9232	0		123681
Cu contain	0	0	0	5	175	56	129	470	463	504	88	0		1711
Co contain	0	0	0	2	59	18	49	169	170	180	27	0		612
Kimbaseke Inside pit	0	0	0	0	0	0	4291	6808	9512	0	0	0		20611
Cu contain	0	0	0	0	0	0	64	118	116	0	0	0		298
Co contain	0	0	0	0	0	0	25	42	42	0	0	0		109
Cutback	0	0	0	0	0	0	0	0	0	524	13360	18419		32304
Cu contain	0	0	0	0	0	0	0	0	0	10	236	215		460
Co contain	0	0	0	0	0	0	0	0	0	0	7	33		41
Cutback-Extn	0	0	0	0	0	0	0	0	0	0	0	0		0
Cu contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Co contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Kibasa River tail	0	0	0	0	0	2747	0	0	0	0	0	0		2747
Cu contain	0	0	0	0	0	42	0	0	0	0	0	0		42
Co contain	0	0	0	0	0	11	0	0	0	0	0	0		11
Kamugoshi concentrate	0	0	0	0	0	0	0	0	0	0	0	0		0
Cu contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Co contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Etoile main Surface stockpile	0	0	0	0	0	0	0	0	0	0	906	0		906
Cu contain	0	0	0	0	0	0	0	0	0	0	9	0		9
Co contain	0	0	0	0	0	0	0	0	0	0	2	0		2
Millimetre HG	78912	71454	60588	63908	42121	28753	17989	11377	15701	28085	71531	22536		195971
Cu contain	1119	1316	1113	1145	617	536	293	181	268	350	1074	394		3096
Co contain	248	276	238	244	121	135	70	29	29	64	120	45		492
Millimetre LG	0	4202	6812	3181	865	0	0	0	0	0	0	6817		6817
Cu contain	0	31	45	21	4	0	0	0	0	0	0	50		50
Co contain	0	7	3	5	1	0	0	0	0	0	0	6		6
Mufunta HG	14793.34	0	20170	29874	50202	42186	47164	16826	51949	61415	31459	0		250999
Cu contain	313	0	471	662	1191	1001	1123	383	1198	1382	695	0		5782
Co contain	1	0	0	1	5	4	5	1	6	6	3	0		25
Mufunta MG	8962.64	18402	7603	1348	0	0	0	36031	7960	12865	5420	58199		120475
Cu contain	129	236	94	5	0	0	0	820	129	193	66	813		2019
Co contain	5	2	0	0	0	0	0	3	0	1	0	1		5
ARR	1242	2756	251	0	0	0	0	0	0	0	0	0		0
Cu contain	28	57	5	0	0	0	0	0	0	0	0	0		0
Co contain	6	11	1	0	0	0	0	0	0	0	0	0		0
Other Processed/Spillage/cleaning	0	0	0	0	0	0	0	0	0	0	0	26520		26520
Cu contain	0	0	0	0	0	0	0	0	0	0	0	342		342
Co contain	0	0	0	0	0	0	0	0	0	0	0	62		62
Kawama	0	0	0	0	0	0	0	0	0	0	0	0		0
Cu contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Co contain	0	0	0	0	0	0	0	0	0	0	0	0		0
Total feed to the plant	103921	96814	95424	98755	107963	81534	90094	106926	123169	142145	131909	132492		808269
Total Cu fed	1590	1640	1729	1837	1988	1687	1770	2097	2174	2471	2167	1813		14181
Total Co fed	261	296	242	252	186	176	183	272	247	259	160	147		1444
Acid Soluble Cu fed(AS)	1517	1574	1677	1778	1924	1635	1708	2018	2070	2368	2075	1740		13615
Acid Soluble Co fed(AS)	239	277	231	242	173	164	169	253	234	243	142	124		1330
Acid Soluble Cu fed(AS)-Recon	1711	1729	1758	1885	1841	1593	1586	1918	1942	1917	2039	1990		12986
Acid Soluble Co fed(AS)-Recon	197	247	201	249	187	214	199	249	273	223	133	117		1407
Feed to Leach Cu grade (%T)	1.53%	1.69%	1.81%	1.86%	1.84%	2.07%	1.96%	1.96%	1.77%	1.74%	1.64%	1.37%		1.75%
Feed to Leach Co grade (%T)	0.25%	0.31%	0.25%	0.25%	0.17%	0.22%	0.20%	0.25%	0.20%	0.18%	0.12%	0.11%		0.18%
Feed to Leach Cu grade (%AS)	1.46%	1.63%	1.76%	1.80%	1.78%	2.00%	1.90%	1.89%	1.68%	1.67%	1.57%	1.31%		1.68%
Feed to Leach Co grade (%AS)	0.23%	0.29%	0.24%	0.24%	0.16%	0.20%	0.19%	0.24%	0.19%	0.17%	0.11%	0.09%		0.16%
Feed to Leach Cu grade (%AS-Recon)	1.65%	1.79%	1.84%	1.91%	1.70%	1.95%	1.76%	1.79%	1.58%	1.35%	1.55%	1.50%		1.61%
Feed to Leach Co grade (%AS-Recon)	0.19%	0.25%	0.21%	0.25%	0.17%	0.26%	0.22%	0.23%	0.22%	0.16%	0.10%	0.09%		0.17%
Total Cu fed to Leaching	1711	1729	1758	1885	1841	1593	1586	1918	1942	1917	2039	1990		12986
Total Co fed to Leaching	197	247	201	249	187	214	199	249	273	223	133	117		1407



2. Production of copper and cobalt hydroxide at the Etoile mine hydrometallurgical plant

Production	31	30	31	30	31	31	28	31	30	31	30	31		
Head	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Avg 23	Cumul-23
Copper Production	1518	1472	1593	1729	1687	1478	1324	1589	1596	1613	1698	1702	1571	11000
Cobalt production	143	204	184	189	140	147	182	149	170	167	111	55	140	981
Acid Production (Only Sulphuric acid)	6723	926	2247	2949	8294	8770	6867	7731	8559	11022	7943	6072	8138	56964
Cu recovery	87.6%	86.7%	86.5%	86.85%	87.83%	87.08%	87.50%	86.79%	84.70%	81.39%	86.68%	83.4%	85.36%	85.36%
Cobalt recovery	72.59%	77.26%	76.50%	72.65%	72.71%	79.4%	81.62%	68.40%	75.40%	66.95%	65.68%	43.15%	68.66%	68.66%

The production at the SX-EW plant (Etoile Mine) carried out during the entire period from August 2023 to July 2024 is as follows:

The factory's production was particularly disrupted by untimely power cuts and the general situation of the energy deficit in the region.

3. Health & Safety Environmental Stats

For the year 2023 up to July 2024 CHEMAF SA totaled 2,72,417 free man-hours.

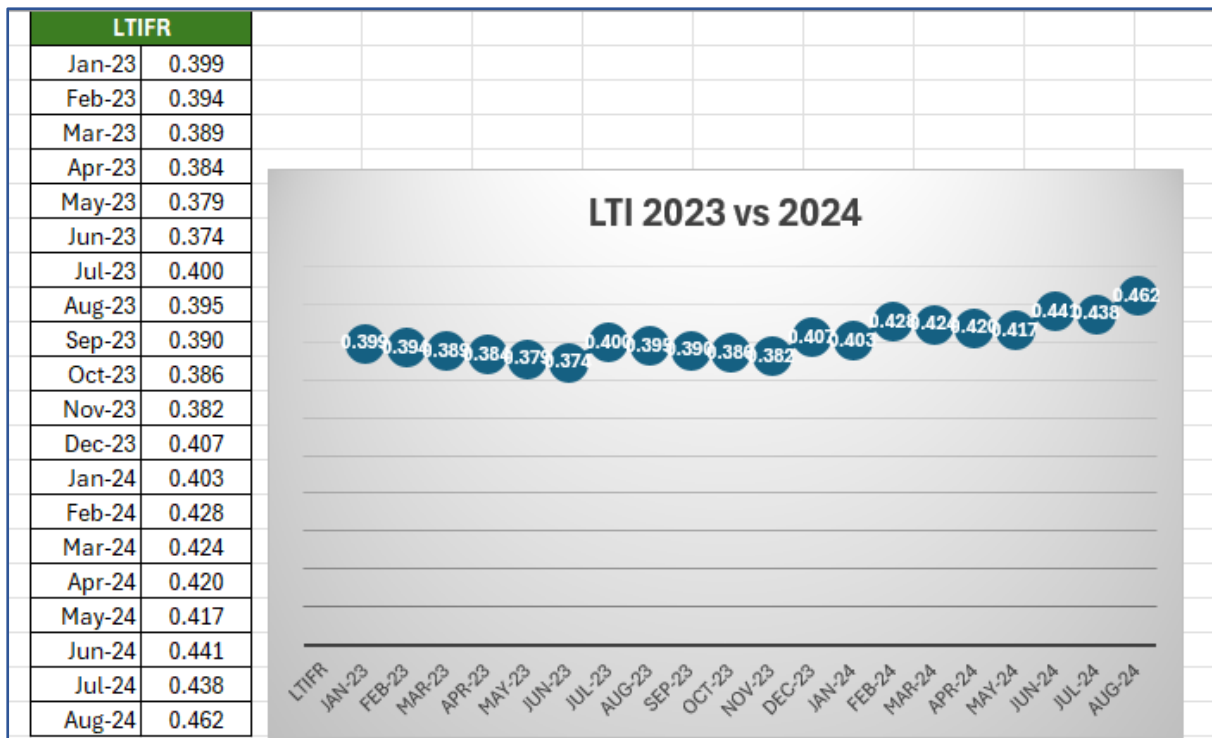
Until June 2024 LTI Free man hours 1,00,316

MONTH	Near miss	Environment	First Aid Incident	LTI	Property Damage	MTI	High Potential Incident	Major/Fatality
Jan-23	1	1	1	0	11	1	0	0
Feb-23	0	2	1	0	8	1	0	0
Mar-23	2	1	3	0	6	1	1	0
Apr-23	1	0	2	0	5	0	0	0
May-23	1	0	0	0	6	0	0	0
June-23	1	1	2	0	4	1	0	0
July-23	2	0	3	0	3	1	1	1
Aug-23	2	0	0	0	6	0	0	0
Sept-23	0	0	1	1	6	1	2	0
Oct-23	0	0	1	0	6	1	0	0
Nov-23	2	2	1	0	7	1	0	0
Dec-23								
YTD Year 23	12	7	15	01	68	8	4	1
Total Year 22	61	7	27	03	65	12	0	0



MONTH	Near miss	Environment	First Aid Incident	LTI	Property Damage	MTI	High Potential Incident	Major/Fatality
Jan-24	0	0	0	0	7	0	0	0
Feb-24	0	1	0	1	11	1	0	0
Mar-24	0	0	0	0	7	0	0	0
Apr-24	0	0	0	0	1	0	3	0
May-24	1	0	0	0	4	0	0	0
Jun-24	0	0	0	1	5	0	1	0
YTD Year 24	1	1	0	2	35	1	4	0

The frequency rate of accidents with lost time (LTIFR):



A look ahead

This 2023 Responsible Sourcing Report is Chemaf's fourth publication, underscoring our ongoing commitment to ensuring that our due diligence activities meet industry standards. Moving forward, we are committed to continuously improving the transparency and quality of our public reporting on supply chain due diligence.

Authorised Signatory