

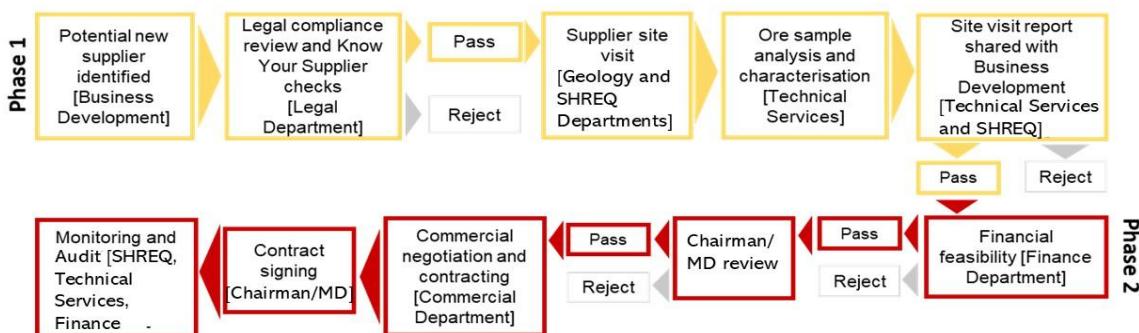
	<b>CHEMAF SA</b> <b>Due Diligence Report 2024</b>	Doc No: - Chemaf/ IMS /SHREQ/DR-2024 Revision Number: - 02 Date: - 15 <sup>th</sup> August 2025
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# 2024 report on due diligence activities for Chemaf's copper and cobalt supply chain

V2.0 – August 2025 report on

## 1. *Introduction*

In accordance with Step 5 of the OECD Due Diligence Guidelines for Minerals, this report outlines CHEMAF SA's approach to responsible sourcing of copper and cobalt ores throughout 2024. It also provides a visual summary of the company's due diligence framework and management systems applied to minerals obtained from external suppliers, as depicted in the diagram below.



This structure guarantees the responsible sourcing for all materials extracted from our own mining operations, as well as those acquired from third parties for processing at the Etoile plant. It further ensures that the full production chain complies with international market requirements and the OECD Guidance, with particular emphasis on Annex II.

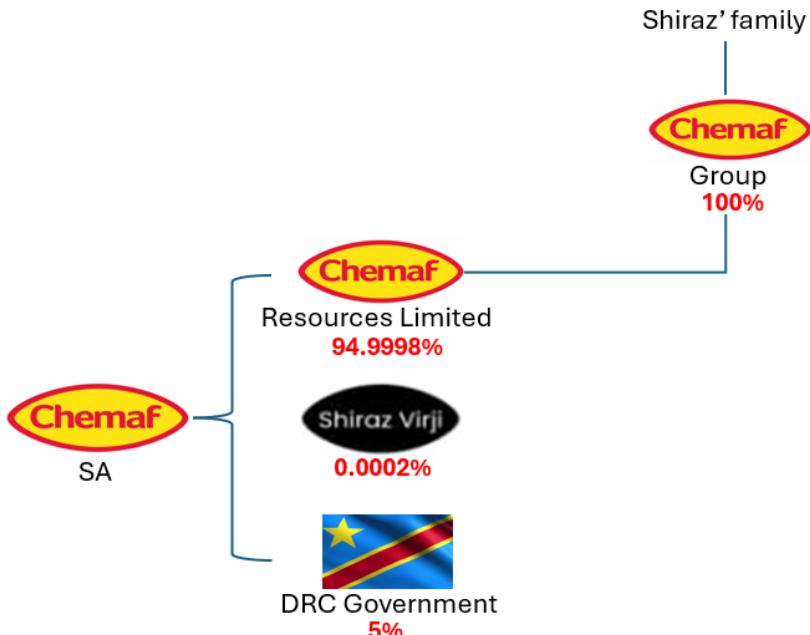
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## 2. Company Information

### 2.1 Company Presentation

CHEMICAL OF AFRICA SA (CHEMAF SA) is a Congolese enterprise engaged in the exploration, extraction, and processing of cobalt and copper. Founded in 2001 in the Democratic Republic of the Congo (DRC), the company has steadily expanded its operational presence in the mining sector.

Its shareholding structure is composed of a 5% participation by the Congolese State, a 0.0002% stake held by Mr. Shiraz Virji, and a 94.9998% majority share owned by Chemaf Resources Ltd, a subsidiary of the Chemaf Group.



Chemaf Resources Ltd (CRL), a subsidiary of the Chemaf Group, brings more than 30 years of operational experience within the DRC. Although the Group initially entered the market through the pharmaceutical sector, it established a strong and enduring presence in the country as early as 1981.

Today, the Chemaf Group is headquartered in Dubai and continues to maintain successful and sustained operations in the region.

### 2.2 Company CID Number

The company CID number is **CID003264**. It operates at the Etoile Mine, where all production assets are registered.

Located on Chaussée de Kasenga Avenue, in the Kalukuluku neighborhood of the Annexe Commune in Lubumbashi, Haut-Katanga, Democratic Republic of Congo, the Etoile site serves as the primary facility for processing copper and cobalt products.

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### **2.3 RMAP Assessment Summary**

The Etoile Plant completed its first Responsible Minerals Assurance Process (RMAP) audit from May 3 to May 4, 2019, covering the period between January 4, 2018, and March 31, 2019. This assessment was performed by Arche Advisor.

Follow-up audits were conducted on April 28–29, 2022, and again for the evaluation period extending from January 7, 2021, to April 8, 2023, as well as from September 18 to September 21, 2023.

The latest audit took place on October 10 and 11, 2024, for the period between August 5, 2023 to August 31, 2024; once again carried out by Arche Advisor.

Each RMAP certification issued remains valid for one year from the date of the respective audit.

The summary of the assessment is publicly accessible and can be consulted on the company's website at [www.chemaf.com](http://www.chemaf.com)

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### ***3. Company Supply Chain Policy***

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The extraction, handling, transport, processing, and trade of minerals or finished products can pose serious social and environmental risks. For this reason, our due diligence framework places strong emphasis on identifying and addressing risks linked to the extraction and processing of copper and cobalt within both our operations and our broader supply chain. We remain firmly committed to preventing the use of minerals that may directly or indirectly fund armed groups or contribute to severe human rights abuses.

To ensure effective risk mitigation, 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 guarantees that our responsible sourcing practices meet recognized international standards.

Our policy is reinforced by a comprehensive risk register, which enables systematic monitoring of potential risks through a structured matrix, thorough assessments, and targeted mitigation measures. The register covers all risks outlined in Annex II of the OECD Guidance, allowing us to proactively manage issues related to human rights, conflict financing, environmental impacts, and other critical concerns. Through this rigorous process, we uphold a transparent, accountable, and responsibly managed mineral supply chain that aligns with industry best practices.

The mineral sourcing policy is approved by senior management and implemented across our operations. It has been communicated to all relevant stakeholders including suppliers, customers, and employees and is publicly accessible on our website at [www.chemaf.com](http://www.chemaf.com)

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*4. Company Management Systems*

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Chemaf implements its mineral supply chain programs in line with the principles set forth in our Responsible Minerals Sourcing Policy.

The company's due diligence initiatives receive strong backing from Chemaf's leadership and senior management, including the Chairman of the Board, the Managing Director, the CSR/ER VP & Company Secretary, the VP Operations, the Director of Finance & Accounting, and the SHREQ Manager.

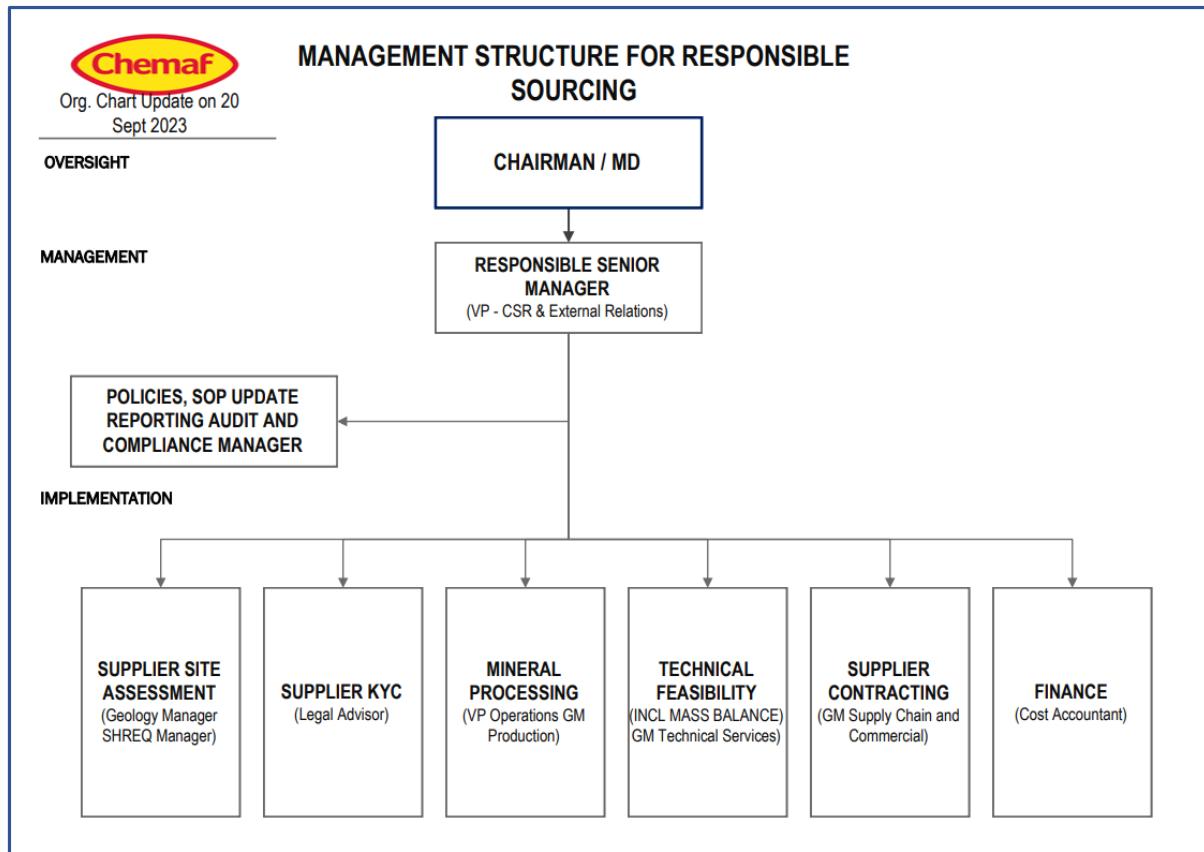
Execution of these initiatives is carried out by specialized teams overseeing health and safety, environmental management, community engagement, geology, technical services, production, and commercial operations across all sites.

Chemaf remains committed to fostering a responsible and sustainable business by working collaboratively with partners across the supply chain, regulatory authorities, the DRC Government, and various non-governmental organizations.

Our objective is to effectively manage social and environmental impacts while contributing positively to local communities. This dedication to responsible operations continued to guide our actions throughout 2024.

The coordination of the due diligence program is structured as follows:

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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 Chemaf Risk Register below, prepared in alignment with Annex II of the OECD Guidance, outlines the risk assessments and mitigation measures implemented across our operations from 2023. Our evaluation in 2024 concluded that all identified risks fall within low to moderate levels.

Chemaf remains dedicated to continuously strengthening and applying robust due diligence procedures throughout all operations, including those involving relevant third-party suppliers. Notably, in 2024, the Etoile facility did not source any ore from Artisanal and Small-Scale Mining (ASM) operations, thereby eliminating any risks associated with 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
(E) 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
(B/I/MD) Business Interruption/Material Damage & Other Consequential Losses	No disruption to operation / \$120k to less than R600k	Brief disruption to operation / \$600k 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; 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



## 6. Annexure

## 1. Mining operations and ore supply chains in 2024.

## Extraction of ores and supply of feedstock to the Etoile hydrometallurgical plant

The table below provides an overview of mining production and plant feed, detailing contributions from various oxide mineralized zones within the Etoile Mine as well as other sources.



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

COPPER	Unit	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTAL_2024	45658	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD
Budget	(MMT)	1,866	1,707	1,728	1,685	1,737	1,354	1,428	1,398	1,371	1,352	1,335	1,581	18,542	1,581	1,428	1,581	1,530	1,736	1,680	9,536
Actual	(MMT)	1,478	1,333	1,589	1,596	1,613	1,698	1,698	1,213	1,507	1,318	1,097	1,290	17,430	1,018	953	1,363	1,187	1,171	1,398	7,090
COBALT	Unit	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTAL_2024	45658	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD
Budget	(MMT)	68	71	307	286	295	184	191	43	172	135	163	164	2,079	59	80	0	0	0	0	139
Actual	(MMT)	147	182	149	170	167	111	55	106	75	82	52	70	1,366	68	93	20	0	0	0	181

The production output of the SX-EW plant at Etoile Mine for the period from January 2024 to July 2025 is summarized as follows:

Operations were notably affected by intermittent power outages and the broader regional energy shortage, which caused significant disruptions to the factory's production schedule.

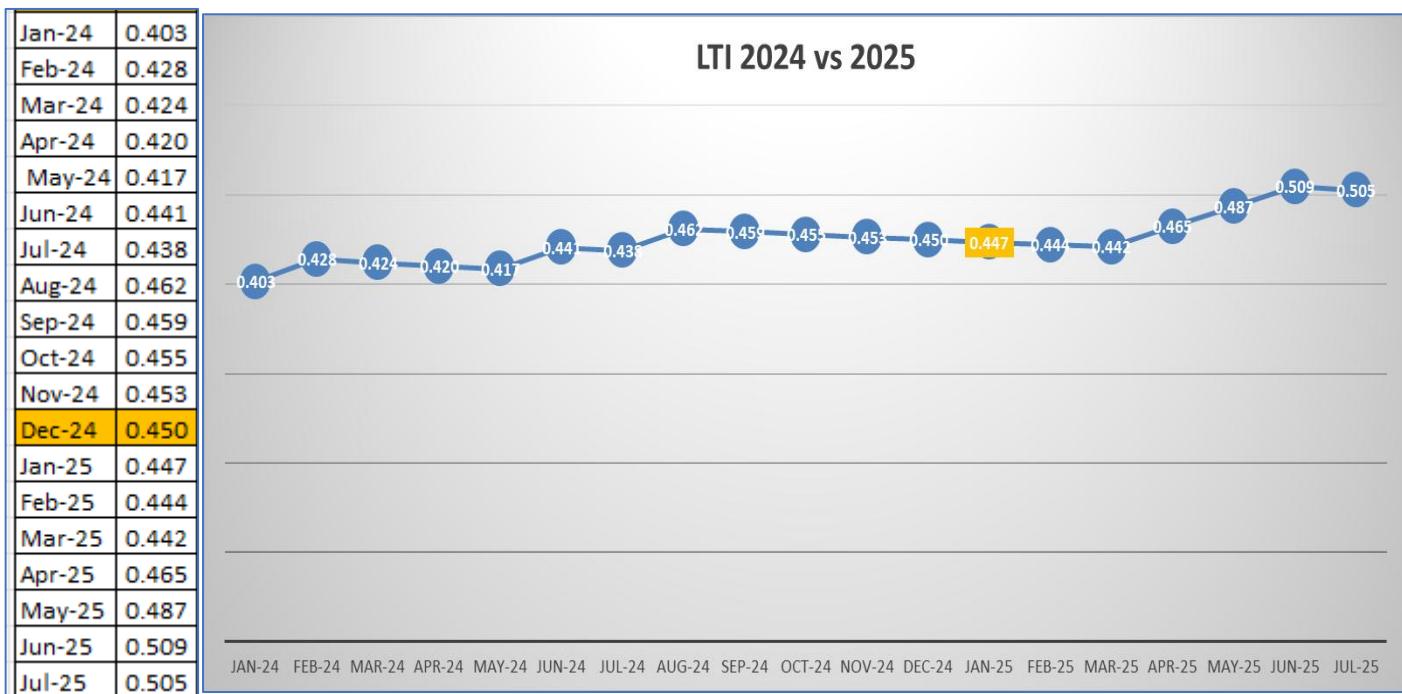
### 3. Health & Safety Environmental Stats

Between January and June 2024, CHEMAF SA achieved a total of 4,100,842 man-hours without any lost-time incidents (LTI).

	2024								
	NMI	ENV	PD	FAC	MTC	RWI	LTI	FAT	HPI
Jan-24	0	0	4	0	0	0	0	0	0
Feb-24	0	0	7	0	0	0	1	0	0
Mar-24	0	1	7	0	0	0	0	0	1
Apr-24	0	0	3	0	0	0	0	0	1
May-24	1	0	1	0	0	0	0	0	0
Jun-24	0	0	3	0	0	0	1	0	1
Jul-24	0	0	11	0	0	0	0	0	0
Aug-24	0	0	3	0	1	0	1	0	0
Sep-24	0	0	1	2	0	0	0	0	0
Oct-24	0	0	2	0	0	0	0	0	0
Nov-24	0	0	7	0	0	0	0	0	0
Dec-24	0	0	3	0	0	0	0	0	0
2025									
Jan-25	0	0	3	1	0	0	0	0	0
Feb-25	1	1	3	1	1	0	0	0	0
Mar-25	0	0	0	2	0	0	0	0	0
Apr-25	0	1	2	0	0	0	1	0	0
May-25	0	0	1	1	0	0	1	0	0
Jun-25	0	0	3	1	0	0	1	0	0
Jul-25	1	0	0	2	0	0	0	0	0



The Lost Time Injury Frequency Rate (LTIFR), which measures the occurrence of workplace accidents resulting in lost time, is as follows:



### A look ahead

With this 2024 Responsible Sourcing Report, we remain committed and dedicated to the due diligence practices with industry standards. Looking ahead, we are engaged to continual improvement process of our system by enhancing both the transparency and the quality of our public reporting on supply chain due diligence.

Authorised Signatory