

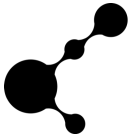
**Power Resources International Ltd**

Amelia House,  
Crescent Road  
Worthing,  
West Sussex  
BN11 1QR,  
England  
United Kingdom

# **RESPONSIBLE MINERALS ASSURANCE PROCESS DUE DILIGENCE PUBLIC REPORT**

YEAR: 2022

DATE OF REPORT: 2023-02-13



## 1. COMPANY INFORMATION

<b>COMPANY NAME:</b>	POWERX Ltd.
<b>CID NUMBER:</b>	CID004054
<b>COMPANY HQ ADDRESS:</b>	KG608 St., No.: 4, Kacyiru, Kigali, Rwanda
<b>REFINERY ADDRESS:</b>	Bugesera Special Economic Zone, Bugesera, Rwanda
<b>3TG MATERIAL PROCESSED:</b>	Tantalum
<b>COMPANY REGISTRATION NUMBER:</b>	108118012
<b>TYPE OF BUSINESS:</b>	Tantalum Refinery
<b>CURRENT REFINERY STATUS:</b>	Active by RMI
<b>PERIOD COVERED BY THIS REPORT:</b>	Year 2022

PowerX Ltd. built its tantalum refinery in 2022, with first production tests performed in Q4 of 2022.

PowerX Ltd. joined RMI in October 2022.

PowerX Ltd. Tantalum Refinery is located in Rwanda and in 2022 was sourcing from Rwandan coltan mines only. To follow OECD's and RMI's guidelines on sourcing conflict minerals responsibly, PowerX Ltd. is performing what is understood in the RMI guidelines as "enhanced due diligence". Since PowerX Ltd is physically present in the Great Lakes Region of Eastern Africa and the mines supplying coltan to the refinery are located in a CAHRA as defined RMI due to US Dodd-Frank Regulations.

## 2. RMAP ASSESSMENT

PowerX Ltd. has been a member of RMI since October 2022, and by the end of 2022 held "Eligible" status on RMI's list of smelters. As 2022 was the first year of the facility's existence, no RMAP assessment has been done. The first RMAP assessment is taking place in 2023 for the assessment period between 28th February 2022 and 28th February 2023.

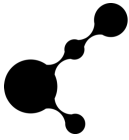
## 3. CORPORATE SUPPLY CHAIN POLICIES

PowerX Ltd. ensures full compliance with national and international laws and regulations. In support of this responsible sourcing PowerX Ltd. follows its parent company's Supply Chain Policy which is, among other policies available on the company's webpage (<https://pwr.ltd/sustainability>). For evaluation purposes, PowerX has an internal CAHRA procedure and Due Diligence process that conforms to the RMAP standard. Between these policies and processes and being physically present in the African Great Lakes region, which allows enhanced in-person Due Diligence assessments, PowerX can assure it is only receiving minerals that are verified to be free of any OECD Annex II risk.

## 4. MANAGEMENT SYSTEM

### GENERAL MANAGEMENT

All PowerX Ltd. employees whose roles include trade, processing, shipments of concentrates, or refining processes of conflict minerals are acquainted with the company's Supply Chain and Risk Management policies and their fundamental principle that it will only source minerals from verified mines with no OECD Annex II risks present and with full traceability of minerals' origin available.



Staff who are educated and competent in conducting due diligence and performing mine site assessments of mines Employees are:

- Head of Sales and Traceability,
- Purchasing Manager,
- Traceability and Digitalisation officer

PowerX Ltd. performs desktop Due Diligence on its suppliers (Know Your Counterparty (KYC)) as well as an On-the-Ground Assessment Process (OGAP). All suppliers are less than 200km from the Refinery. During these OGAPs, PowerX checks the legal status of entities and daily mining logs to compare the mine's output with deliveries from that mine. PowerX also interviews key and random employees of the mine, checks health and safety measures, and inquires about any non-government armed groups operating in the area. The execution of OGAP is carried out by experienced and competent personnel (Traceability and Digitalisation officers). These officers report to Trading Manager on a national level, and the Company Head of Sales and Traceability on an international level. The officers provide reports to the Head of Sales and Traceability who oversees PowerX's ore purchasing operations, compliance, and the conformance of sourced materials. Meetings between teams carrying out the OGAP and their superiors are held weekly. Any actual or potential risks are reported up the chain of command within PowerX Ltd. to the Head of Sales and Traceability.

All existing and newly hired personnel are trained on Due Diligence procedures and all other job-relevant Company policies with an emphasis on the implementation of Supply Chain Policy and due diligence procedures.

In 2022, PowerX Ltd. started monitoring and recording supplier data and chain of custody information in a digital version. This allows for crosschecking and the detection of discrepancies caused by human errors which is often the case with using paper & pen based due diligence and traceability methods. In order to use all the potential advantages of this new system, and at the same time have it legally recognised in the country where PowerX Ltd. operates, the Company in Q4 of 2022 applied for a Due Diligence and Traceability license at Rwanda Mines, Petroleum and Gas Board which it was subsequently granted.

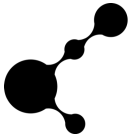
## INTERNAL SYSTEM OF CONTROL

PowerX Ltd. reviews its Due Diligence and OGAP systems at least once per year, monitoring its adequacy and effectiveness in the region and markets to which PowerX Ltd. is sourcing or selling products to. If required, proactive measures are taken within the one-year period between planned reviews. Should an unanticipated development occur, a reactive measurement will follow in the shortest achievable time.

PowerX Ltd. operates its own laboratory to determine the quality of materials that are offered to, or purchased by PowerX Ltd. Standard Operating Procedures, (SOP's), cover all aspects of the material control system, from compliance control, mass balance control, acceptance, and reporting.

## SUPPLIER ENGAGEMENT

PowerX Ltd. is actively facilitating government agencies in charge of the mining sector development in Rwanda to further engage with suppliers on mine development, environmental sustainability and other impact initiatives which contribute to transparency and relationship building in the supply chain.



Working with the Suppliers allows PowerX Ltd. to make regular mine-site visits and provide due diligence reports based on those visits. Findings from these mine site visit reports are shared with buyers downstream, or relevant industry-recognised bodies, as necessary.

Reports on work and engagement with local communities are not publicly shared for community protection reasons but are regularly shared with the Company's Independent Chairman and key company stakeholders such as lenders or advisory personnel as well as being made available to any mandated auditor.

## GRIEVANCE MECHANISM

PowerX Ltd. follows its Parent company's Human Rights Policy which defines that both employees and stakeholders within local communities have access to appropriate grievance mechanisms. The policy is publicly available on the company's website.

## RECORD KEEPING

All of the company's records are retained digitally and in hard copy for a minimum period of 5 years. Internal material control continuously monitors inventory via receipts, physical inspection and inventory logs. Within these systems, any mass balance discrepancies are investigated.

## 5. RISK IDENTIFICATION AND MITIGATION

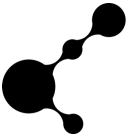
PowerX follows an in-house supplier evaluation process which is in line with the Company Supply Chain Policy, the OECD Guidance for Responsible Supply Chain of Minerals from Conflict Free and those from High Risk Areas, with one goal to stop and prevent trade in minerals where funds from those minerals support conflict and/or gross human rights abuses.

PowerX Ltd. is fully committed to conformance with the position of the Organisation for Economic Co-operation and Development (OECD) concerning responsible supply chain management and supporting their customers compliance to the Dodd-Frank Act, and/or the EU Conflict Minerals Regulation and to avoid the use of ores and metals that finance or benefit armed groups or linked to gross human rights abuses. PowerX Ltd. is committed to refraining from any act which contributes to the financing of conflict and complies with relevant United Nations sanctions resolutions or, where applicable domestic laws implementing such resolutions.

All potential suppliers are first introduced to the Supply Chain Policy. They undergo the Supplier Evaluation process which consists of 'Risk assessment and CAHRA country/region identification of material source', to identify any potential OECD Red Flags and categorise them. Based on this characterisation PowerX performs risk response planning of the supplier and then determine if action is needed to mitigate identified risk, reject, or accept supplier. Every new supplier goes through this process, and once verified as acceptable on a desktop Due Diligence level, is visited in person by PowerX Ltd.'s competent personnel who perform Mine Site Due Diligence, verifying a number of issues including plausibility of mine's output, making sure there is no child or forced labor present, that employees are paid according to local labor laws, and that no armed groups benefit in any way from Mine's activities.

PowerX Ltd. assesses gathered data, defines the potential risks, and makes a decision whether the communication and due diligence process with a potential supplier should continue or whether the communication should cease. In case of the latter decision, PowerX Ltd. terminates communication with the potential supplier who has not passed the screening for a minimum of 6 months.

In 2022 PowerX Ltd. sourced concentrate from mines located in Rwanda, which is defined as a CAHRA. One of the mines is owned PowerX's sister company of PowerM Ltd which follows the



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same policies and procedures and others were 3rd party. In both cases PowerX followed the prescribed procedures and made Due Diligence visits to mining sites to verify the legal status, the origin of materials delivered, the chain of custody mechanisms used, working conditions etc. The mines passed the Due Diligence process and are considered acceptable suppliers for the period of 12 months since the day the Due Diligence visit was done. Due Diligence Reports' findings are made available to PowerX Ltd.'s clients downstream. Even though the Company is not a member of EITI, PowerX Ltd. will disclose information on any payments made to Governments to be in line with EITI criteria as needed.

Sincerely,  
PowerX Ltd.

Prepared by:

Primož Meze  
Head of Sales and Traceability

Signed by:

Ray Power  
CEO  
PowerX Ltd