

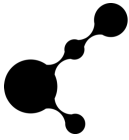
Power Resources International Ltd

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

RESPONSIBLE MINERALS ASSURANCE PROCESS DUE DILIGENCE PUBLIC REPORT

YEAR: 2023

DATE OF REPORT: 2024-05-01



1. COMPANY INFORMATION

COMPANY NAME:	POWERX Ltd.
CID NUMBER:	CID004054
COMPANY HQ ADDRESS:	KG608 St., No.: 4, Kacyiru, Kigali, Rwanda
REFINERY ADDRESS:	Bugesera Special Economic Zone, Bugesera, Rwanda
3TG MATERIAL PROCESSED:	Tantalum
COMPANY REGISTRATION NUMBER:	108118012
TYPE OF BUSINESS:	Tantalum Refinery
CURRENT REFINERY STATUS:	“Conformant” by RMI
PERIOD COVERED BY THIS REPORT:	Year 2023

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

PowerX Ltd. was given Conformant to the standard” status by RMI on 12th May 2023.

PowerX Ltd. Tantalum Refinery is located in Rwanda and, throughout 2023, sourced from Rwandan coltan mines only. PowerX Ltd. is performing what is understood in the RMI guidelines as "enhanced due diligence" to follow OECD and RMI guidelines on sourcing conflict minerals responsibly. This enhanced Due Diligence (DD) is performed because 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 Conflict-Affected High-Risk Area (CAHRA) region.

2. RMAP ASSESSMENT

PowerX Ltd. has held “Conformant to the standard” status on RMI’s list of smelters since May 12, 2023.

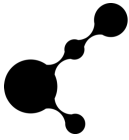
PowerX Ltd underwent its first Responsible Minerals Assurance Process (RMAP) between 18th and 20th of April 2023. The period covered in this first assessment was 28th February 2022 to 31st March 2023. This first assessment is valid for one year. The evaluation was conducted by Arche Advisors. The assessment summary report is publicly available [here](#).

PowerX Ltd is committed to having these assessments done on an annual basis to validate conformance with RMAP protocols and current global standards on responsible sourcing of conflict minerals.

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>). PowerX has an internal CAHRA procedure and Due Diligence process for evaluation purposes 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 ensure 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 mineral refining processes 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 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
- Production manager

PowerX Ltd. performs desktop due diligence on its suppliers called Know Your Counterparty (KYC) and uses 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 competent personnel (Traceability and Digitalisation Officers or 'Field Officers'). Field Officers report to Traceability and Digitalisation Officers 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 conformance with 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.

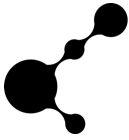
All existing and newly hired personnel are trained on due diligence procedures and other job-relevant company policies, with an emphasis on implementing the supply chain policy and due diligence procedures.

In 2023, PowerX Ltd. started monitoring and recording supplier data and chain of custody information in a digital version. This allows cross-checking and detection of discrepancies caused by human errors, which is often the case with paper-based due diligence and traceability methods. 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 was granted in Q1 2023. The traceability system has been extensively tested throughout 2023.

INTERNAL SYSTEM OF CONTROL

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

PowerX Ltd. operates its own laboratory to determine the quality of materials offered to or purchased by PowerX Ltd. Standard Operating Procedures (SOPs) cover all aspects of the material control system, including 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 that 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.

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

GRIEVANCE MECHANISM

PowerX Ltd. follows its parent company's human rights policy, which states that employees and stakeholders within local communities can access appropriate grievance mechanisms. The policy is publicly available on the company's website.

RECORD KEEPING

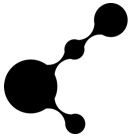
All of the company's records are retained digitally and in hard copy for a minimum of 5 years. Internal material control continuously monitors inventory via receipts, physical inspection, and inventory logs. Any mass balance discrepancies are investigated within these systems.

5. RISK IDENTIFICATION AND MITIGATION

PowerX follows an in-house supplier evaluation process that is in line with the Company's Supply Chain Policy and the OECD Guidance for a Responsible Supply Chain of Minerals from Conflict-Free and High-Risk Areas. The goal is to stop and prevent the 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 with the Dodd-Frank Act and the EU Conflict Minerals Regulation and avoids the use of ores and metals that finance or benefit armed groups or are linked to 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 determines if it rejects or accepts the 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 the plausibility of the mine's output, making sure there is no child or forced labour present, that employees are paid according to local labour laws, and that no armed groups benefit in any way from Mine's activities.



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PowerX Ltd assesses the gathered data, defines the potential risks, and decides whether to continue communicating and conducting due diligence with a potential supplier or cease communication. In the latter case, PowerX Ltd. terminates communication with the potential supplier who has not passed the screening for a minimum of six months.

In 2023, PowerX Ltd sourced concentrate from mines in Rwanda, a country defined as a CAHRA. One of the mines is owned by PowerX's sister company, PowerM Ltd, which follows the same policies and procedures, and the others are third-party. PowerX followed the prescribed procedures in both cases 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 have been considered acceptable suppliers for 12 months since the day the Due Diligence visit was done. The findings of the Due Diligence Reports are available to PowerX Ltd's downstream clients. 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

Approved by:

Ray Power
CEO
PowerX Ltd