

Power Resources International Ltd

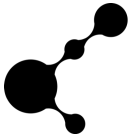
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BN11 1QR,
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United Kingdom

RESPONSIBLE MINERALS ASSURANCE PROCESS DUE DILIGENCE PUBLIC REPORT

COMPANY: POWERM Ltd.

YEAR: 2022

DATE OF REPORT: 2023-05-18



1. COMPANY INFORMATION

COMPANY NAME:	POWERM Ltd.
COMPANY HQ ADDRESS:	KG608 St., No.: 4, Kacyiru, Kigali, Rwanda
3TG MATERIAL PROCESSED:	Tantalum and Tin
COMPANY REGISTRATION NUMBER:	104977989
TYPE OF BUSINESS:	Tantalum and Tin mine, processing facility
CURRENT STATUS:	Active
PERIOD COVERED BY THIS REPORT:	Year 2022

2. SHORT SUMMARY

PowerM Ltd operates its own mine sites as well as purchasing from third parties. The Board of PowerM Ltd have carefully reviewed the end-of-year audit for 2022 and is satisfied that all requirements to comply with the OECD Framework for Conflict Minerals were upheld during the period.

3. CORPORATE SUPPLY CHAIN POLICIES

PowerM Ltd. ensures full compliance with national and international laws and regulations. In support of this responsible sourcing PowerM 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, PowerM Ltd. 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, PowerM can assure it is only receiving minerals that are verified to be free of any OECD Annex II risk.

4. MANAGEMENT SYSTEM

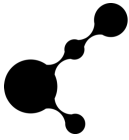
GENERAL MANAGEMENT

All PowerM 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

PowerM 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, PowerM checks the legal status of entities and daily mining logs to compare the mine's output with deliveries from that mine. PowerM 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 PowerM'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 PowerM 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, PowerM 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 PowerM Ltd. operates, PowerM's sister company called PowerX Ltd 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

PowerM 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 PowerM 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.

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

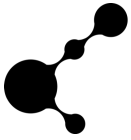
EVALUATION BY RECOGNISED UPSTREAM ASSURANCE MECHANISMS

PowerM Ltd (previously known as PRG Ltd.) has been a member of iTSCI since 23rd August 2018 and as a mining and trading company is regularly visited by iTSCI personnel that monitors mining operations on all 3 mining licences granted to PowerM Ltd in Ngororero district in Rwanda as well as trading operations that take place in PowerM's compound which was located in Nyamabuye-Kabeza, town of Muhanga, Rwanda.

PowerM uses iTSCI monthly DD list of companies that shouldn't be traded with and informs all places of business (trading post and mines) about these instructions, so trade with the companies on that DD list is suspended immediately. Same rule applies when iTSCI informs its members about missing or stolen tags.

SUPPLIER ENGAGEMENT

PowerM 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 PowerM 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

PowerM 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

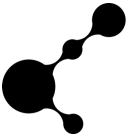
PowerM follows an in-house supplier evaluation process which is in line with the Company Supply Chain Policy, the OECD Guidance for Responsible Supply Chain of Minerals from Conflict Free and those from High Risk Areas, with one goal to stop and prevent trade in minerals where funds from those minerals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

PowerM 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. PowerM 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 PowerM 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 PowerM 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.

PowerM 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, PowerM Ltd. terminates communication with the potential supplier who has not passed the screening for a minimum of 6 months.

In 2022 PowerM Ltd. sourced concentrate from multiple mines located in Rwanda, which is defined as a CAHRA. PowerM followed the prescribed procedures and made Due Diligence visits



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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 PowerM Ltd.'s clients downstream. Even though the Company is not a member of EITI, PowerM Ltd. will disclose information on any payments made to Governments to be in line with EITI criteria as needed.

Sincerely,
PowerM Ltd.

Prepared by:

Primož Meze
Head of Sales and Traceability

Signed by:

Dr. Matevž Uroš Pavlič
General Manager
PowerM Ltd