

Power Resources International Ltd

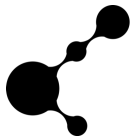
Amelia House,
Crescent Road
Worthing,
West Sussex
BN11 1QR,
England
United Kingdom

RESPONSIBLE MINERALS ASSURANCE PROCESS DUE DILIGENCE PUBLIC REPORT

COMPANY: POWERM Ltd.

YEAR: 2024

DATE OF REPORT: 2025-02-10



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 2024

2. SHORT SUMMARY

PowerM Ltd operates its own mining site, which has transitioned from an artisanal/small-scale pilot plant to a fully mechanised mine in Q4 of 2023. Because of this transition, PowerM made a business decision to cease sourcing minerals from third parties as of mid-2023.

The company maintains its procedures relating to the responsible sourcing of conflict minerals in the event that it decides to resume purchasing from third parties in the future.

The Board of PowerM Ltd have carefully reviewed the end-of-year audit for 2024 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 would only receive minerals that are verified to be free of any OECD Annex II risk if the decision to restart buying from 3rd parties is made.

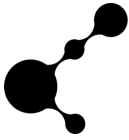
4. MANAGEMENT SYSTEM

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,
- Traceability and Digitalisation officer



PowerM Ltd., when still trading, performed desktop Due Diligence on its suppliers (Know Your Counterparty [KYC]) as well as an On-the-Ground Assessment Process (OGAP). 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 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 2024, PowerM Ltd recorded its production data and chain of custody information digitally using the Original Evidence software platform. Original Evidence is licensed by PowerM's sister company, PowerX Ltd, under its Due Diligence and Traceability license issued by Rwanda Mines, Petroleum and Gas Board ("RMB" or the "Regulator").

Due to iTSCI's issues of recognition by industry bodies and its implication in the illegal mineral trade in the DRC (UN GoE Report S/2024/969 Annex 29 Section 4) PowerM has ceased its membership of iTSCI.

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.

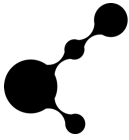
EVALUATION BY RECOGNISED UPSTREAM ASSURANCE MECHANISMS

PowerM's traceability papers within the Original Evidence platform were incorporated into the external evaluation of PowerM's client-smelter audit by the Responsible Minerals Initiative and were satisfactorily conformant.

SUPPLIER & BUYER 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 and Buyers allows PowerM Ltd. to make and host 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 with 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

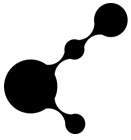
PowerM follows an in-house supplier evaluation process which is in line with the Company Supply Chain Policy, the OECD Guidance for Responsible Supply Chain of Minerals from Conflict Free and those from High Risk Areas, with one goal to stop and prevent trade in minerals where funds from those minerals 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 determines 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 2024, PowerM Ltd. didn't source concentrate from any 3rd party mines. All production and traceability papers and reports were duly signed by the Regulator and the Original Evidence platform. PowerM successfully passed the Due Diligence visits of its clients and is considered an



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acceptable supplier. Any Due Diligence and Traceability data can be made available to PowerM Ltd's downstream clients.

Sincerely,
PowerM Ltd.

Prepared by:

Primož Meze
Head of Sales and Traceability

Signed by:

Ray Power
Director
PowerM Ltd