

EUROTRADE INTERNATIONAL Limited (ETI)

Company Address

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2021 ANNUAL DUE DILIGENCE REPORT

28 February 2022

Contents

1. Company Information and Policy Overview	3
2. Risk Identification and Mitigation Approach	3
3. Annual Risk Mitigation Efforts	6

1. Company Information and Policy Overview

Eurotrade International Limited (ETI) is a private Rwandan mining Company that was awarded by the Government of Rwanda, a large-scale mining license N°002/MINIRENA/.16.02 of 29 January 2015 to operate the Nyakabingo tungsten mine for 25 years. The licensed area covers a surface of approximately 1600 hectares located mainly in Rulindo District in the northern province of the Republic of Rwanda.

Every year ETI prepares an annual Due Diligence Report in line with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas especially its step 5, in order to provide public confidence in the undertaken measures.

The objective of the ETI due diligence management system is to identify, assess, and mitigate human rights risks in our supply chains to reduce actual and potential negative impacts on people and planet. Further, the system seeks to ensure that the company's sourcing practices are in conformance with international good practices. Our due diligence approach has been developed in a way that manages risks based on available information and make improvements over time.

ETI utilizes RCS Global services, including traceability and due diligence systems to support our efforts. The Better Mining Program (BM), implemented by the RCS Global Group, is an upstream assurance mechanism that puts in place a number of systems to support that exports of minerals from Conflict-Affected and High-Risk Areas (CAHRA) are produced, transported and exported by companies operating in a manner that is aligned with the requirements of the OECD Due Diligence Guidance, the Better Sourcing Standard, and the Responsible Minerals Initiative (RMI) Responsible Minerals Assurance Process (RMAP).

This report describes a) the due diligence management system, b) the methodology for the assessment of risks, and c) the steps taken to manage the risks as established at ETI.

ETI has committed to adopt and make publicly available a Supply Chain Due Diligence Policy for responsible sourcing of minerals from conflict-affected and high-risk areas. This report follows the commitments of that policy, which are our reference for responsible sourcing practices. The policy can be found at www.rcsglobal.com.

2. Risk Identification and Mitigation Approach

We take a transparent approach to mining operations, production, and the trade of minerals from our sites. Purchasing smelters are encouraged to review the information provided to them and follow-up on elements in line with their own due diligence procedures. The due diligence we apply is risk based and commensurate to the severity and likelihood of identified risks. The process includes:

- (1) Identifying risks using evidence-based information that extends across all risks noted in the OECD Due Diligence Guidance.
- (2) Supporting the assessment of risks against our supply chain policy, national laws, and international guidance.

- (3) Responding to, managing, and reporting on identified risks in a measurable and accountable manner.
- (4) Promoting transparency along the supply chain, as part of an accurate depiction of local circumstances, to enhance engagement among supply chain members and improve access to market and investment for local operators and communities.
- (5) Promoting continuous reporting of risk-related information along our supply chain to downstream buyers.

Incidents that may occur at our site are recorded by independent monitors deployed by BM on an ongoing basis to our mine site. Monitors digitally record incidents in line with the RCS Global incident and risk categorization (aligned with the OECD Due Diligence Guidance Annex II risks). The collection and verification of incidents form the basis of the risk assessment approach. Following the logic outlined in the RCS Risk Management Protocol (RMP) the incidents recorded over the past 12 months are used to assign adequate risk levels for each monitored Risk.

The risk mitigation approach at ETI seeks to address issues in a structural manner. Based on the Risk Assessment a comprehensive Corrective Action Plan (CAP) is provided to ETI on a monthly basis by BM including the following information for each risk:

- Risk category
- Risk level
- Number of incidents associated with that risk category recorded over the past month
- Suggested actions for risk mitigation
- Required evidence
- Recommended timeline for implementation of mitigation actions
- Responsible actor(s) for implementation
- Status (not started, in progress, completed) of mitigation actions
- Risk owner notes (to be completed based on risk owner feedback)

In line with the core ‘continuous improvement’ principle in the OECD Due Diligence Guidance and accepted by market requirements, our company implements proactive and risk-based risk mitigation (‘corrective action’). Current CAP statuses are also shared along with each shipment to support our risk management and reporting obligations.

TRACEABILITY

Based on recommendations from the OECD Guidance, Chain of Custody System Standards from the ICGLR Regional Certification Mechanism (RCM), and RMI RMAP audit requirements, BM deploys a digital traceability system for materials from mine to export. The objective of BM-implemented traceability is to provide assurance that the minerals exported originate from BM-monitored mine sites and to protect against the smuggling and laundering of minerals into BM-validated supply chains.

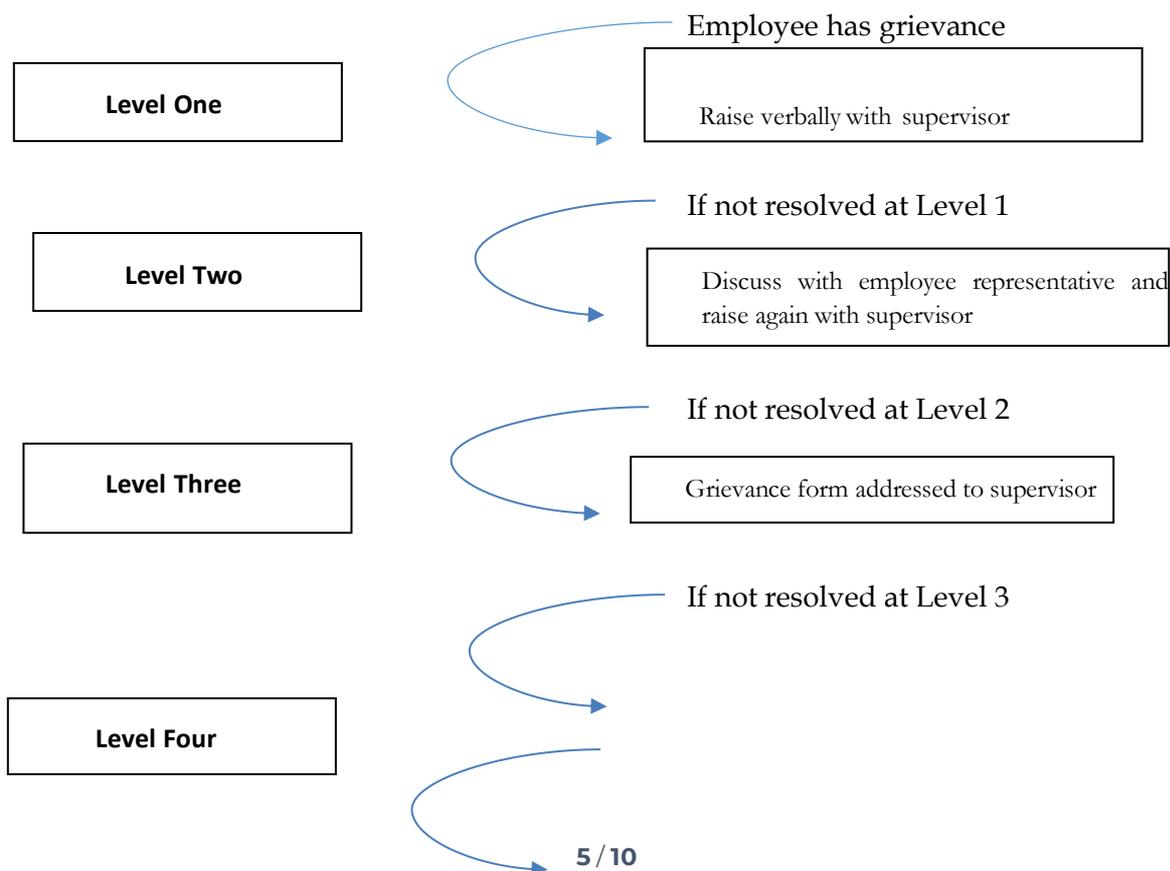
The approach relies on recording of traceability information at local level, and data reconciliation in real time. The approach allows for systematic identification of all participants in the supply chain. The traceability system digitally records the weight, tag number, and ID of present stakeholders and pit managers at the pit level and verifies the information at each supply chain step up to export.

Eurotrade International Ltd, mines its own minerals from the mining sites under the licensed area. It then upgrades this mineral at its own premises under the supervision of its own employees. The mineral is then transported to Rutongo Mines on a weekly basis with its own transport, employees and security personnel. With full traceability in place, mineral concentrate is bagged, tagged, recorded and after audit and subsequent receipt of the ICGLR certificate and Rwanda Revenue Authority Certificate of Origin, the mineral is exported directly from the Rutongo premises. No mineral is purchased, received or otherwise gained from any source other than from its own mining operations.

The process accounts for average weight loss during transport and processing. Any discrepancies in the recorded data are recorded as incidents and follow the same risk assessment and CAP procedure described above. The process accounts for average weight loss during transport and processing. Any discrepancies in the recorded data are recorded as incidents and follow the same risk assessment and CAP procedure described above.

GRIEVANCE MECHANISM

Unethical or undesirable behavior or any violations of our company Code of Ethics can be reported to Management. A Grievance Process for all internal employees and both internal and external stakeholders is managed as per below grievance procedure:



Grievance form to senior manager to hold enquiry
If not resolved at Level 4

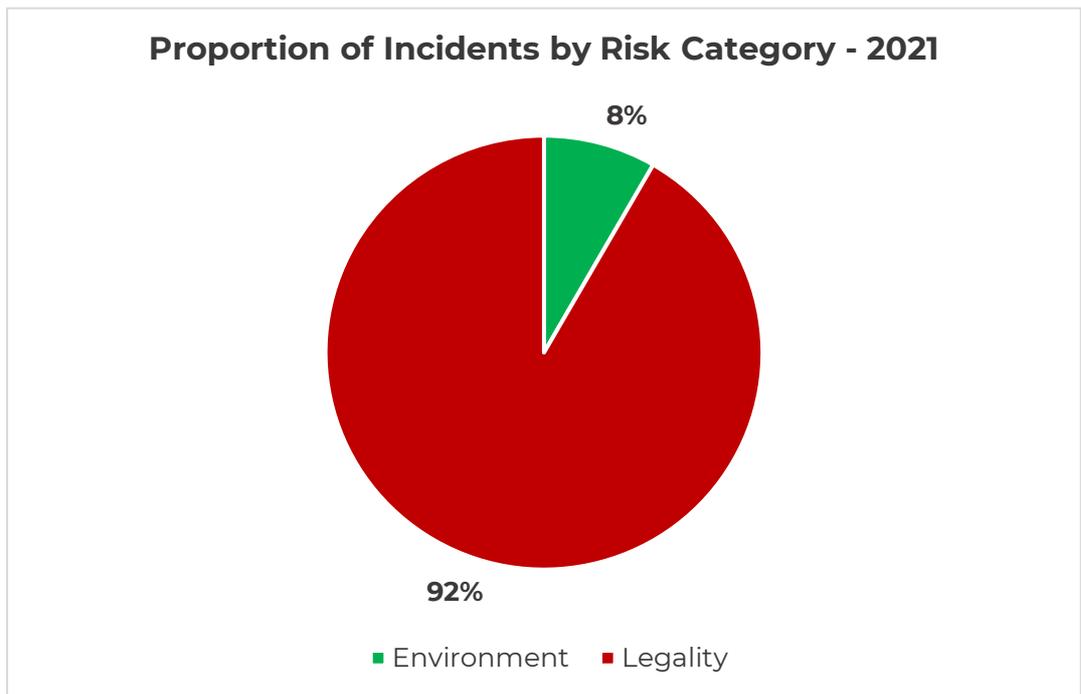
Stakeholders can also utilize the RCS Global Grievance Mechanism or the Responsible Minerals Initiative (RMI) Grievance Mechanism to raise concerns.

Grievance Procedure ends. Referral to a third party for independent advice.

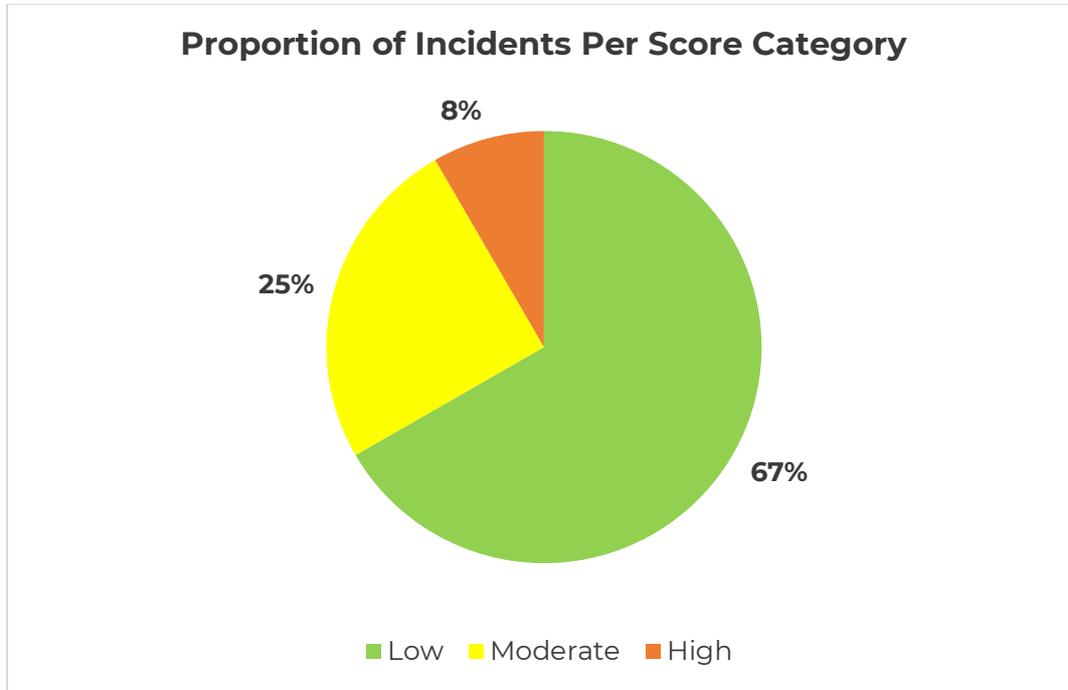
3. Annual Risk Mitigation Efforts

Better Mining operated at our site in 2021 on a near permanent basis. During the year, ETI engaged with Government stakeholders including the Local authorities, Security organs and Rwanda Investigation Bureau (RIB) regarding mineral theft and internal theft. Furthermore, ETI participated in community meetings regarding environmental issues as well as other issues in the Community.

In 2021, **24** incidents were recorded. Almost all incidents, 92%, were incidents of mineral theft on site. Two incidents fell under the environment risk category.



The chart below shows the proportion of incidents by severity. The majority of incidents were considered "Low."



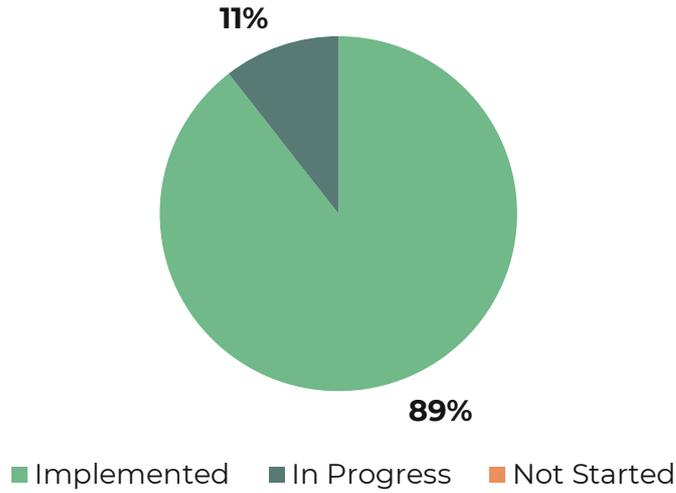
During 2021, 0 Critical incidents were registered affecting our operations.

As a result, the following risks were identified in the Eurotrade International Ltd. supply chain. The below table shows the average score recorded during 2020 for each risk.

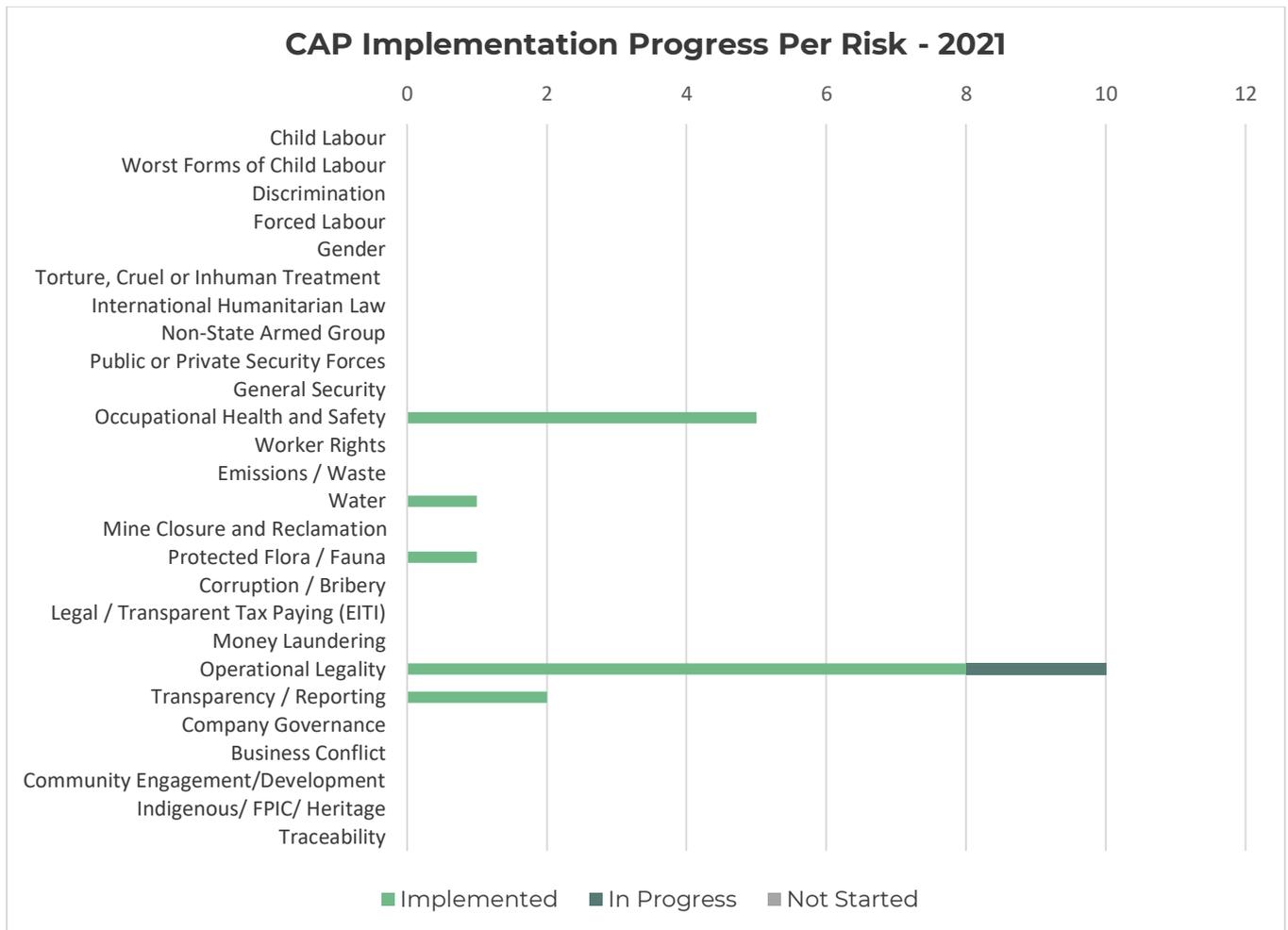
Risk category	Risk	Risk Score
Human Rights	Child Labour	Least Risk
	Worst Forms of Child Labour	Least Risk
	Discrimination	Least Risk
	Forced Labour	Least Risk
	Gender	Least Risk
	Torture, cruel, inhuman treatment	Least Risk
Security	International Humanitarian Law	Least Risk
	Non-State Armed Group	Least Risk
	Public or Private Security Forces	Least Risk
Working Conditions / Safety	Occupational Health and Safety	Least Risk
	Worker Rights	Least Risk
Environment	Emissions / Waste	Least Risk
	Water	Least Risk
	Mine Closure and Reclamation	Least Risk
	Protected Flora / Fauna	Least Risk
	Resource / Land Management	Least Risk
Legality / Legitimacy	Corruption / Bribery	Least Risk
	Legal / Transparent Tax Paying (EITI)	Least Risk
	Money Laundering	Least Risk
	Operational Legality	Moderate Risk
	Transparency / Reporting	Least Risk
Community	Business Conflict	Least Risk
	Community Engagement / Development	Least Risk
	Indigenous / FPIC / Heritage	Least Risk
Chain of Custody	Traceability	Least Risk

To mitigate the identified risks Eurotrade International Ltd. worked on implementing **19** mitigation actions following the guidance of the BM-issued Corrective Action Plans. Over the past year **89%** actions were successfully implemented. For **11%** mitigation actions the implementation is still ongoing and no actions are yet due to be started. The below chart highlights the division of mitigation action status for each risk. The chart below shows the

Overall CAP Implementation Progress 2021



The below chart shows the rates of implementation for each risk that has been identified during 2020.



In 2021, a number of actions were taken as far as safety, operational, water, fauna and flora as well as transparency are concerned.

Occupational Health and Safety:

ETI safety team conducts daily safety inspections and a meeting with safety coordinators twice a week (Every Tuesdays and Fridays). Tunnel Captains were also made responsible and accountable for the safety of their teams and work collaboratively with the safety teams. In addition, various trainings were organised and dispensed.

Operational Legality

ETI establishes and maintains good relationships with all our stakeholders including Government stakeholders (central and Local) and communities where we operate. Covid-19, was the main challenge in this area of engagement. Nevertheless, other channels of communication remained open and operational. For instance, ETI worked with the Rulindo District to establish a list of local illegal buyers of minerals and the District committed to work with competent organs so that suspects are investigated.

Employees have been also reminded on regular basis that mineral theft id an offense under Rwandan law and against the Company Code of conduct and those people involved shall face the

law accordingly. Furthermore, about 17 Policies and procedures and mainly related to Human Resource Management were adopted including the Grievance Mechanism.

Protected Flora / Fauna

In 2021, ETI has begun planting about 15 979 trees in areas that were deforested and the nursery now has 7631 saplings that will be planted in the upcoming rainy season.

Water

ETI has completed works related to the construction of a dam wall in order to prevent waste water from sluicing to flow into a nearby main river and other risks of water contamination resulting from mining operations.

Transparency / Reporting

The Annual Due Diligence Report for the year 2021 was prepared to RCS Global Group website and copies of the said report at were made available at the ETI office for pickup by the public. This year's report shall also be made available.