



Table of Contents

Introduction	2
Company Overview	2
Importance of Due Diligence	2
Compliance with International Standards	2
<i>EGM Due Diligence Report 5 steps:</i>	3
1. ESTABLISHMENT OF STRONG COMPANY MANAGEMENT SYSTEMS IN THE MINERALS SUPPLY CHAIN	3
EGM Minerals Supply Chain: A Detailed Look	3
EGM Organizational Structure	5
Due diligence:	6
Activities of the Due Diligence Team:	6
2. EGM RISK ASSESSMENT IN THE MINERAL SUPPLY CHAIN	7
Understanding and Managing Risks:	7
On-site Due Diligence:	7
Data Review and Collaboration:	7
Information Sources:	7
3. EGM RISK ASSESSMENT, MANAGEMENT PLAN AND MITIGATION MEASURES TO AVOID MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS ENTERING IN THE SUPPLY CHAIN	9
4. DATA SHARING AND INFORMATION ON OUR SUPPLY CHAIN WITH OUR CUSTOMERS	10
Comprehensive Documentation:.....	10
Regular Reporting and Communication:.....	10
Policy Development and Awareness:.....	11
Stakeholder Engagement:.....	11
5. THE USE OF INFORMATION FROM ITSCI FROM THE LOCAL AREAS	12
Direct Supplier Engagement:	12
Leveraging ITSCI Reports:.....	12
Focus on Sustainability and Ethical Practices:	12
CONCLUSION.....	13

East Group Minerals Ltd Due Diligence Report: Responsible Minerals Supply Chain (January 1, 2023 - December 31, 2023)

Introduction

This report outlines East Group Minerals Ltd (EGM) due diligence efforts in maintaining a responsible supply chain for minerals sourced from conflict-affected and high-risk areas (CAHRAs). Covering the period from January 1, 2023, to December 31, 2023, the report demonstrates EGM's commitment to ethical sourcing practices and compliance with international standards.

Company Overview

Established in 2019 and located in Kigali, Rwanda, EGM specializes in the buying, processing, and exporting of 3Ts minerals (coltan, cassiterite, and wolfram) and beryllium. Operating under mineral trading license number 107613699/TL.02/SEPT20/25/001, EGM actively promotes responsible sourcing and supply chain transparency.

Importance of Due Diligence

EGM recognizes the critical role of due diligence in mitigating risks associated with mineral sourcing from CAHRAs. By implementing robust due diligence practices, EGM aims to:

- **Ensure traceability:** Accurately track the origin and chain of custody of minerals to prevent the infiltration of conflict minerals into the supply chain.
- **Conduct risk assessments:** Identify and assess potential risks related to human rights abuses, environmental damage, and conflict financing.
- **Implement mitigation measures:** Develop and implement effective strategies to address identified risks and prevent negative impacts.
- **Promote transparency and accountability:** Publicly disclose due diligence efforts and demonstrate commitment to responsible sourcing.

Compliance with International Standards

EGM adheres to internationally recognized frameworks for responsible mineral sourcing, including:

- **ITSCI Traceability System:** Utilizing the ITSCI system ensures comprehensive tracking and monitoring of minerals throughout the supply chain.
- **OECD Due Diligence Guidance:** EGM aligns its due diligence practices with the five-step framework outlined by the OECD, encompassing risk assessment, mitigation strategies, and ongoing monitoring.

- ICGLR Regional Certification Mechanism: Participation in the ICGLR mechanism further strengthens EGM's commitment to responsible sourcing and regional cooperation in addressing conflict minerals issues.

This report will further detail EGM's due diligence activities, risk assessment findings, and mitigation measures implemented during the reporting period.

EGM Due Diligence Report 5 steps:

1. ESTABLISHMENT OF STRONG COMPANY MANAGEMENT SYSTEMS IN THE MINERALS SUPPLY CHAIN

East Group Minerals demonstrates a commitment to responsible sourcing and supply chain management by adhering to internationally recognized standards and guidelines, including the ITSCI system, OECD Due Diligence Guidelines, and the ICGLR Regional Certification Mechanism. This dedication is reflected in their comprehensive minerals supply chain policy, which is communicated and implemented across all levels of operation, particularly within East Group Minerals Ltd.

EGM Minerals Supply Chain: A Detailed Look

- a. **Receiving Minerals:** The process begins with a thorough inspection at the security checkpoint. Verification of mining licenses, yellow mine sheets, and other documentation ensures the legitimacy of the minerals and the client. EGM staff, along with RMB personnel, meticulously check for proper tagging and corresponding logbook entries to maintain traceability and confirm the origin of the minerals. Mine tags are removed and recorded by the RMB staff in the processing logbook.
- b. **Processing:** After removing and recording mine tags, the minerals undergo a series of processing steps to enhance their value and purity. This typically involves crushing, magnetic separation to remove unwanted elements, and washing. Sampling occurs before and after processing using quartering method, with both samples analyzed in a laboratory to determine the mineral concentration and also to establish pricing.
- c. **Tagging and Export Preparation:** Once purchased, the processed minerals receive new tags identifying them as belonging to the négociant (trader) and are prepared for export.
- d. **Export Procedures and Certification:** The export process involves several key steps:
 - **Lot Number Sorting:** Minerals are organized into specific lot numbers for export management.

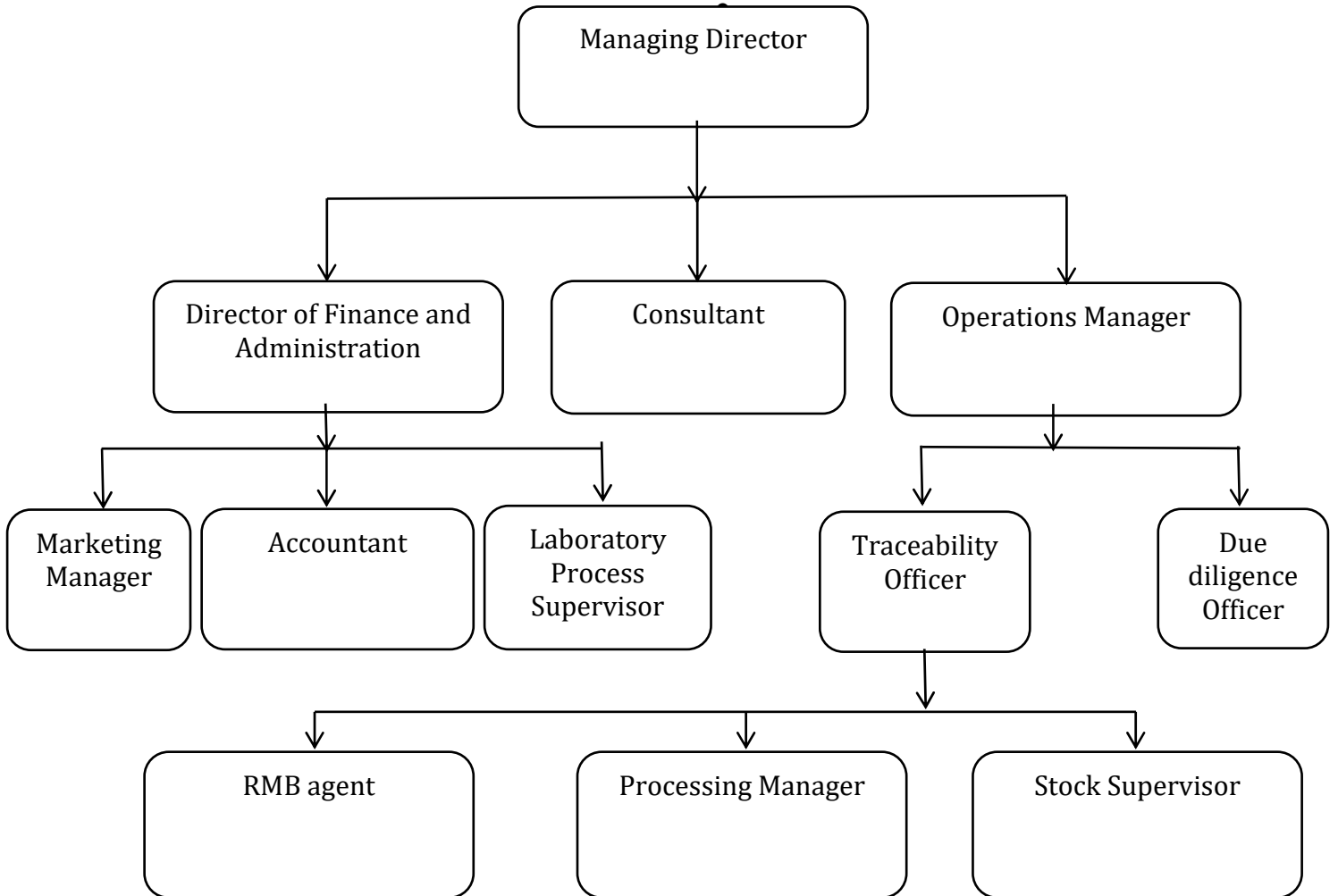
- **Third-Party Involvement:** Independent entities like Alex Stewart International Rwanda laboratory are engaged for assay certification, packing inspection, and container verification.
- **Regulatory Oversight:** The RMB participates in the export process, representing regulatory authorities.
- **Packaging and Certification:** Minerals are securely packed into metallic drums. Essential certifications are obtained, including a Full Scan analysis from Alex Stewart International Rwanda laboratory, an ICGLR Certificate from the RMB, a Certificate of Origin, and customs documentation from the Rwanda Revenue Authority (RRA).

Commitment to Transparency and Due Diligence:

East Group Minerals and its meticulous supply chain management system demonstrates a strong commitment to responsible mineral sourcing. By adhering to international standards, collaborating with independent bodies, and maintaining strict documentation and traceability procedures, they strive to ensure ethical practices and contribute to a conflict-free mineral trade.



EGM Organizational Structure



Due diligence:

EGM adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. EGM have established a dedicated Due Diligence Team that conducts regular visits to our suppliers' mines. This team is fully equipped with the necessary resources to carry out their duties, including transportation, airtime, accommodation, and food for visits to remote mining locations.

In 2023, the EGM Due Diligence team conducted visits to 22 mining companies. During these visits, the team focused on the following key activities:

Activities of the Due Diligence Team:

- **Production Analysis:** The team analyzes monthly mineral production records from each visited mining cooperative or company. This involves reviewing the minerals supplied production reports provided by the EGM Minerals Stock Department to identify any unusual fluctuations compared to the supplier's baseline production. Significant surges or depletions are investigated during subsequent due diligence visits.
- **ITSCI Report Monitoring:** The team closely follows the monthly ITSCI reports of listed companies to reinforce due diligence efforts for EGM suppliers.
- **Incident Response:** The team investigates incident reports regarding potential anomalies in the mineral traceability chain, as flagged by ITSCI or other relevant institutions.
- **Communication and Investigation:** Upon identifying potential risks, the team initiates communication through verbal and written channels, conducts meetings, and visits the mine site for further investigation.
- **Information Sharing:** The findings from meetings and mine visits are shared with all EGM departments, stakeholders, mineral suppliers, ITSCI, and the Rwanda Mines, Petroleum and Gas Board (RMB).

By conducting these activities across 22 mining companies, the EGM Due Diligence team demonstrated a strong commitment to ensuring responsible sourcing practices, mitigating risks, and upholding ethical standards within its mineral supply chain.

Also, in 2023, the Due Diligence Team participated in a 2-day training program organized by the ITSCI, focusing on traceability and due diligence guidelines and procedures. Additionally, they underwent a 2-day training session facilitated by RMB.

2. EGM RISK ASSESSMENT IN THE MINERAL SUPPLY CHAIN

Understanding and Managing Risks:

EGM recognizes the importance of understanding and managing risks within our mineral supply chain. We are committed to upholding the highest standards of responsible sourcing and ethical conduct. To achieve this, we have implemented a comprehensive risk assessment process:

On-site Due Diligence:

- **Regular Supplier Visits:** EGM conducts on-site due diligence visits to all our suppliers. During these visits, our Due Diligence Team thoroughly assesses various aspects of the supplier's operations, including production processes, traceability systems, environmental practices, labor conditions, and adherence to human rights standards.
- **Detailed Reporting:** Following each visit, the team compiles detailed due diligence reports that document their findings, identify any potential risks, and recommend appropriate mitigation measures.

Data Review and Collaboration:

- **ITSCI Monitoring:** EGM closely monitors data and information collected by the International Tin Supply Chain Initiative (ITSCI), including their due diligence reports. This allows us to stay informed about potential risks and red flags within the supply chain and take proactive measures.
- **Workshops and Trainings:** Our team actively participates in workshops and training sessions organized by ITSCI and relevant government bodies. This ensures we remain updated on the latest industry best practices, risk assessment methodologies, and regulatory requirements.
- **Government Collaboration:** EGM maintains open communication with government officials to discuss and address risks in the supply chain, including concerns related to fraudulent companies or potential conflict minerals.

Information Sources:

EGM utilizes various sources to gather information and assess risks effectively:

- **ITSCI Publications:** We leverage the due diligence lists and quarterly reports published by ITSCI to identify potential risks associated with specific suppliers or regions.
- **RMB Regulations:** EGM adheres to the policies and regulations set forth by the Rwanda Mines, Petroleum and Gas Board (RMB) to ensure compliance and responsible sourcing practices.



- **Supplier Information:** We maintain open communication with our mineral suppliers and mining companies to gather information about their operations, challenges, and potential risks.
- **Production Reports:** EGM analyzes monthly mining production reports to identify any unusual fluctuations or discrepancies that may indicate potential risks.



3. EGM RISK ASSESSMENT, MANAGEMENT PLAN AND MITIGATION MEASURES TO AVOID MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS ENTERING IN THE SUPPLY CHAIN.

Due diligence risk assessment	Due diligence measure to perform	Mitigation measures to take
Companies listed on due diligence list reinforcement and incident opened by ITSCI on particular case	<ul style="list-style-type: none"> EGM Due diligence team mine visit 	<ul style="list-style-type: none"> Communication with the supplier. Meeting with the supplier Regular Due diligence team site visits
Untagged minerals	<ul style="list-style-type: none"> Not buying 	<ul style="list-style-type: none"> Inform RMB / ITSCI. Not buying the minerals
Broken tags or bags	<ul style="list-style-type: none"> Inform ITSCI and RMB for action before accepting the minerals 	<ul style="list-style-type: none"> Regular checking before receiving the minerals
New EGM supplier	<ul style="list-style-type: none"> Checking before if all required conditions are available. 	<ul style="list-style-type: none"> Organization of the due diligence team mine visit
Illegal mining company	<ul style="list-style-type: none"> Not buying 	<ul style="list-style-type: none"> Not accepting the minerals
Confusing situation: company supplying minerals while already suspended by RMB or when ITSCI. Or confusion about the source of the minerals	<ul style="list-style-type: none"> Immediate EGM Due diligence team mine visit 	<ul style="list-style-type: none"> EGM to ask explanation on the produced minerals. Sharing information with ITSCI and RMB for more clarifications.
Miners working conditions on the field such as child labor, PPE's, safety, insurance	<ul style="list-style-type: none"> Mine site visits Not buying the minerals until the situation is changed 	<ul style="list-style-type: none"> Regular recommendations and communication to the suppliers about the related policies for enhancing awareness on the workers' rights Inform RMB and ITSCI
Whistle blowing / reports from various institutions individuals on minerals	Cross checking the information through other people / reports on these allegations by:	Reacting according to the findings of the due diligence action taken: <ul style="list-style-type: none"> verbal or written



<p>traceability irregularities.</p>	<ul style="list-style-type: none"> • Communicating verbally. • Field mine visit. 	<p>explanations to the supplier.</p> <ul style="list-style-type: none"> • suspension of buying minerals from the supplier in serious breaching of minerals traceability regulations.
<p>Environment destruction while mining</p>	<ul style="list-style-type: none"> • Immediate communication and visit to the mine site 	<ul style="list-style-type: none"> • Immediate communication to RMB and iTSCi • warning to the company and rehabilitation recommended.

4. DATA SHARING AND INFORMATION ON OUR SUPPLY CHAIN WITH OUR CUSTOMERS

Comprehensive Documentation:

Each mineral shipment from EGM is accompanied by a comprehensive set of documents that provide detailed information about the origin, quality, and ethical sourcing of the minerals. These documents include:

- **ICGLR Certificate:** Demonstrating compliance with regional standards for responsible mineral trade.
- **ITSCI Exporter Yellow Sheet:** Verifying the minerals' traceability through the ITSCI system.
- **Accredited Analysis Certificates:** Providing independent verification of mineral quality and composition from reputable companies like Alex Stewart International.
- **Sampling, Weighing and Packing Certificates:** EGM partners with reputable and accredited companies like Alex Stewart International for sampling, weighing, and packing procedures. This ensures accuracy and reliability, with official certificates provided for each shipment.
- **Radiation and Container Inspection Certificates:** Demonstrating our dedication to safety and compliance, we utilize Alex Stewart International Rwanda expertise to obtain radiation certificates and container inspection certificates for our mineral shipments.
- **Exporter Documents:** Including packing lists, negociant and mine tag lists, and details of artisanal mining companies and cooperatives involved in the supply chain.
- **Due Diligence Reports:** Sharing the results of due diligence assessments conducted on the mining companies or cooperatives that supplied minerals for the specific shipment.

Regular Reporting and Communication:



- **Internal Reporting:** EGM maintains transparency within the company by sharing monthly reports of purchased mineral volumes with various departments, including Due Diligence, Marketing, and Finance.
- **External Reporting:** Monthly reports are also shared with the Rwanda Mines, Petroleum and Gas Board (RMB) and the ITSCI local office in Kigali, demonstrating EGM's commitment to regulatory compliance and responsible sourcing practices.
- **Due Diligence Sharing:** Copies of monthly reports from EGM's due diligence mine visits are provided to ITSCI and the visited suppliers, promoting transparency and collaboration.
- **Incident Reporting:** Any incidents or suspicious cases are promptly reported to relevant stakeholders such as RMB, ITSCI, and suppliers, ensuring timely action and risk mitigation.

Policy Development and Awareness:

EGM has developed a range of policies to enhance awareness and understanding of mineral supply chain due diligence among employees and stakeholders:

- **Whistle-Blowing Policy:** Encouraging the reporting of any unethical or illegal activities without fear of retaliation.
- **Gender Policy:** Promoting gender equality and inclusivity within the company and across the supply chain.
- **Mineral Supply Chain Policy:** Outlining EGM's commitment to responsible sourcing practices and adherence to international standards.
- **Grievance Policy:** Providing a mechanism for stakeholders to raise concerns and seek resolution.

Stakeholder Engagement:

EGM fosters open communication and collaboration with suppliers and stakeholders through various channels:

- **Regular Meetings:** The management team and Due Diligence team hold regular meetings with suppliers to discuss performance, address concerns, and share best practices.
- **Written Communication:** Reports, recommendations, and other relevant information are shared with suppliers through written communication channels.
- **Awareness Campaigns:** EGM utilizes banners and other communication tools to raise awareness about responsible sourcing and due diligence among suppliers and communities.
- **Annual Reports:** EGM publishes an annual due diligence report on the ITSCI website, providing transparent information about its sourcing practices and commitment to ethical conduct.

Through these comprehensive measures, EGM demonstrates its dedication to transparency, information sharing, and responsible mineral sourcing throughout its supply chain.

5. THE USE OF INFORMATION FROM ITSCI FROM THE LOCAL AREAS

EGM recognizes the valuable role of ITSCI in promoting responsible mineral sourcing and actively utilizes information from ITSCI to strengthen our due diligence efforts.

Direct Supplier Engagement:

EGM conducts regular visits to our suppliers to establish a direct understanding of their operations and ensure transparency. During these visits, we gather essential information such as:

- **Mineral Sources:** Verifying the exact origin of the minerals to assess potential risks and ensure they are not sourced from conflict-affected or high-risk areas.
- **Supplier Details:** Collecting information on the supplier's address, company or cooperative name, leadership, and relevant documentation to establish clear communication and accountability.
- **Mine Assessment:** Evaluating the mining operations to ensure adherence to environmental, health and safety, and labor standards.
- **Collaboration Opportunities:** Exploring potential partnerships and support initiatives, such as financing options, to foster sustainable development within the supply chain.

Leveraging ITSCI Reports:

EGM actively utilizes ITSCI incident reports and monthly reports to gain valuable insights into potential risks and challenges within the mineral supply chain. These reports provide information that may not be readily apparent during our own due diligence visits, allowing us to:

- **Identify Hidden Risks:** Detect potential issues related to traceability, human rights, environmental practices, or child labor that may require further investigation and action.
- **Implement Mitigation Measures:** Take appropriate steps to address identified risks, including engaging with suppliers to implement corrective actions or, in severe cases, ceasing business relationships.
- **Enhance Due Diligence:** Continuously improve our due diligence processes by integrating insights from ITSCI reports and adopting industry best practices.

Focus on Sustainability and Ethical Practices:

EGM prioritizes responsible sourcing and integrates sustainability considerations into our due diligence efforts. We place particular emphasis on:



East Group **MINERALS**

- **Environmental Protection:** Promoting environmentally sound mining practices that minimize ecological impact and ensure responsible resource management.
- **Health and Safety:** Prioritizing the health and safety of workers throughout the supply chain by advocating for safe working conditions and proper safety protocols.
- **Child Labor Prevention:** Maintaining a zero-tolerance policy for child labor and actively working to prevent its occurrence within the mineral supply chain.

CONCLUSION

East Group Minerals Ltd. is dedicated to building a sustainable and responsible mineral supply chain. We are committed to continuous improvement and strive to strengthen our due diligence practices, ensuring alignment with ITSCI, OECD Due Diligence Guidance, and the ICGLR Regional Certification Mechanism.

As we move forward, we will focus on developing and implementing new policies that enhance our ability to identify and mitigate risks, promote transparency, and uphold the highest ethical standards.

END.