



ANNUAL DUE DILIGENCE REPORT
FOLLOWING THE OECD GUIDANCE RECOMMENDATIONS
FOR THE YEAR 2022

I. New Bugarama Mining Company Ltd Conflict Mining Policies

- New Bugarama Mining Company Ltd (hereafter “NBMC”) is a private company incorporated in Rwanda, having the rights to extract and export minerals from its Bugarama Mining Concession, located in Burera District, Kagogo Sector.
- NBMC has obtained in 2014 the ICGLR* Regional Certificate from Rwandan Ministry of Natural Resources (MINIRENA) testifying NBMC has mined, traded and handled minerals in accordance with the requirements set out by ICGLR.
- NBMC only extract minerals from its mining concession to make sure that security, traceability and confidence to its exclusive client being also a shareholder of the Company.
- NBMC is concerned and avoid to be related to minerals that are extracted from mining operations that fuel military conflicts, related human rights violations and environmental degradation. This conflict mineral policy is in line with the company code of conduct, which sets out the company’s strong commitment to ethical business principles and promoting human rights and environmental protection.
- NBMC has never and will not mine or trade any such conflict minerals and has implemented iTSCi chain of custody system that shows the source of minerals from the minerals site through exporter and up to the smelter.
- NBMC supports seeking a sustainable solution to the issue of conflict minerals through collaboration and traceability of minerals and transparency of global supply chains in collaboration with the iTSCi, the Geology and Mines Department in the Rwanda Natural Resources Authority (RNRA) and the other services in the Ministry of Natural Resources especially the Ministry of State in Charge of Mining.
- NBMC is committed to the highest standards of ethical conduct and full compliance with all applicable national and international laws, and we make sure that the managers are well trained and inform our workers and security staff of the level of commitment the Company expect from them on those issues.
- NBMC is committed to disclosing the progress of the implementation of this conflicts policy as a part of its corporate responsibility reporting.
- NBMC is committed to being fully compliant with all the relevant United Nations and the international sanctions, and domestic laws implementing such resolutions.
- NBMC’s policies follow the OECD guidelines and recommendations.

II. Due diligence plan and Investigation of complaints at NBMC

- The compliance officer will investigate all alleged violations fully in doing so respect the confidentiality and sensitivity of the matter in as short time as possible in order to complete a thorough investigation report and send it to the Director of Operations who has the duty to report directly to the Managing Director, Chairman and other board members by email or if urgent by phone or text message.



III. Management Responsibility and Corrective actions at NBMC

- NBMC compliance officer will recommend corrective action to the Director of Operations and board of directors.
- If needed and for urgent matters the compliance officer can inform directly the Resident Director who will inform the Chairman and the other members of Board.
- NBMC, its compliance officer, its director of operations, Board make sure that there is no retaliation for whistle blowers and they ensure anonymity and confidentiality of the source of information for its protection.

IV. Resources/Staff to manage due diligence

- NBMC has trained new staff for the post of risk and compliance officer reporting to the Director of operations and in case of emergency to the Resident Director for him to report to the Managing Director, Chairman and its Board.
- The Director of operation on the mining site is the one responsible for all activities and all incidents that may happen. He is the one proposing corrective actions or measures to address the incident that may arise in the mining operations, and he is the one reporting any breach of the company's policies by a member of the staff or any stakeholders.

V. NBMC's Due diligence Management Systems

The NBMC's Due Diligence Management System is in place since 2009 and we continue update and improved its quality and efficiency. The system includes the following:

- Education/Training with check list to be used for the Due diligence, Risk assessment requirements and the OECD guidance for all staff members across all NBMC departments from managers to the staff. NBMC trained its managers in order for them to be in a position to report well to the Board and inform the staff and other employees dedicated to the filing of all documents relating to chain of custody, or to the employees collecting information needed for the NBMC's Due diligence and risk assessment; Experienced NBMC miners have received a certificates for their experience and knowledge from the ministry of public services and labor and another 170 miners will complete their training in 2023.
- Appointment of a responsible officer: The director of Operations is in charge, responsible, trained and regularly communicates with the resident director, Managing Director and other members of the Board of the NBMC. Furthermore, NBMC is employing a senior officer in charge of CSR (corporate social responsibility) and ESG (environment, social and governance).
- Creation of a dedicated email address and phone numbers to be contacted in case a risk is identified and in order to inform each member of staff of NBMC from the staff to the senior management, Board and shareholders if needed.
- NBMC sole shareholder has hired additional resource with experience in mining and metals in order to strengthening due diligence on a timely basis and check on compliance with OECD guidance regarding conflict free minerals, ensuring capacity building of the senior managers of NBMC on the requirements, check list for the due diligence and improve the skills of the compliance officer who can report within promptly any incident and ask advises or recommendations when needed.
- The Director of operations is connected by Internet/skype and WhatsApp and he exchange and report every day with the senior management using the NBMC's iPad and/or by smartphone.



VI. How does NBMC assess risk?

NBMC is assessing risks in several ways;

- By reading all available reports including the UN, NGO, iTSCi and their on the ground teams whom are present at the mining concession.
- NBMC is closely following up all iTSCi tools like Incident report, mine visit recommendations, Monthly country or region report which generally include governmental or provincial meetings, production reports by region, governance assessment reports;
- The NBMC sole shareholder is sending trained metals & mining professionals on the ground on due diligence trips following the iTSCi mine visit recommendation thereby asking in depth questions about operations of NBMC and drafting reports which are available at NBMC's mining site and at the HQ office;
- We are also following all email alerts related to East African Regional and especially to Rwanda mining operations, regulations, information in newspapers and on TV.

VII. How does NBMC share data and information on supply chain with its customers?

- A full transparency is offered to the shareholder & client.
- NBMC can ensure the client & ITSCI that all processes and measures are put in place to guarantee that all minerals striving from NBMC are conflict free;
- NBM is also visited by reputed NGO's and the CEO of the Rwanda Mining Board which were offered with full transparency and who issued positive reports about NBM

VIII. What kind of risk you may face and whether you stop buying for certain reasons to manage the risks?

- NBMC is investing in significant time and effort in security and controlling on site and is working with well-known security company called "ISCO/ Intersec Security" which is represented at site on a permanent basis. Intersec is hired to prevent bribes and ensure security on site.
- Established in 1995, ISCO is the leading provider of security services in Rwanda. ISCO provides forward thinking solutions that have been streamlined and digitized for efficient and timely operational standards.
- ISCO rebranded from Intersec Security company transforming herself from a traditional security company to an innovative service provider in services.
- NBMC has an Anti-Bribery and Corruption policy. Therefore, NBMC is committed to ensure that its corporate culture discourages conduct that violates the bribery and corruption laws.
- NBMC will immediately terminate the employment of any employee or business partner who seeks to illegally influence any public or private official in the exercise of their official duties. NBMC Anti Bribery and Corruption policy also ensures that NBMC remains conflict free.



IX. IS NBMC participating in EITI reporting?

- As far as Rwanda is concerned the country is not part of EITI reporting countries.

X. Is NBMC participating in stakeholder discussions either locally (CLS/PPP) or internationally (OECD)?

- NBMC representatives have been active stakeholders involved either on local or international level discussions regarding conflict free minerals.
- At the level of Bugarama mine, the Director of operations and senior managers have participated to numerous meetings organized by local, national or international authorities to discuss conflict minerals issues.
- NBMC senior managers, managing director, Chairman, shareholder, board members participated to OECD meetings and are recognized as active members promoting OECD guidance regarding conflict free minerals issues across the international tungsten industry association.

XI. How NBMC monitor the performance of its supplier in terms of due diligence?

- NBMC is mining house and extract ore from its mine deposits and therefore has no external supplier.

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Managing Director
New Bugarama Mining Company Ltd