



(Registration number: RCCM:14-B-0095)

Logu au croisement de la Nationale N°3 et de la route menant à Bisie
Walikale, Nord – Kivu, NIFA0705928C
République Démocratique du Congo

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Alphamin Bisie Mining Annual Public Report for Calendar Year 2023 on the
Implementation of the Requirements of the OECD Guidance for Due Diligence of Mineral
Supply Chains without Linkage to Conflict

1. Company Information

Alphamin Bisie Mining SA (ABM) is a DRC operating company and tin concentrate producer that mines and processes tin ore from its high-grade deposit issued under DRC's Mining Code as Production Permit No. 13155, in Walikale Territory, North Kivu, Democratic Republic of Congo (DRC). ABM SA's shareholders include the holding company, Alphamin Resource Corp (AFM), which is headquartered in Mauritius and listed on the Toronto Stock Exchange (TSXV: AFM) and the Johannesburg Stock Exchange AltX (JSE AltX: APH), as well as the Industrial Development Corporation of South Africa (IDC) and the Government of the DRC.

Alphamin's Mpama North mine in the DRC came into production in the second quarter of 2019. In 2023 ABM SA exported approximately 11 385 tonnes of contained tin, amounting to ~4% of the world's mined tin supply.

Alphamin is aiming to increase annual tin output and life of mine through incremental production from Mpama North, as well as developing its Mpama South mine in close proximity to the current production and from within the licensed footprint.

The management team has successfully developed and brought the Bisie tin mine to production and is focused on taking the business to higher output levels as they pursue their objective of realizing the full value potential of this extraordinary tin complex while supporting the on-going development of the local communities and DRC mining industry.

2. Company Management Systems

The following outlines Alphamin's due diligence management policies and procedures consistent with the OECD Due Diligence Guidance.

2.1 Adopt a Responsible Supply Chain Policy

Recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk

areas, and recognizing that upstream mining companies have the responsibility to respect human rights and not contribute to conflict, ABM has adopted, made widely available and incorporated into contracts and/or agreements with suppliers' ABM's Supply Chain Due Diligence policy for responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. ABM has refrained from any action which contributes to the financing of conflict, and it complies with relevant United Nations sanctions resolutions or, where applicable, international and domestic laws implementing such resolutions. The policy is publicly communicated via the web site <https://www.alphaminresources.com/sustainability>. The policy is reviewed annually and updated as necessary.

2.2 Provide Sufficient Resources to Conduct Due Diligence

The implementation of the due diligence policy on upstream suppliers and downstream customers is the responsibility of the ABM Managing Director.

2.3 System of Controls to Achieve and Transparency Over the Mineral Supply Chain.

ABM has implemented their chain-of-custody system in conformance with the DRC Government and ICGLR Regional Certification Mechanism (RCM). ABM also maintains a metal accounting report to improve auditability and transparency of metal accounting from mine to product. All records are maintained for a minimum of five years.

ABM supports the implementation of the principles and criteria set forth under the Extractive Industry Transparency Initiative (EITI). This is demonstrated by the presence of ABM data in the DRC country report. ABM contributed to the DRC tax-base through payment of royalties, taxes, duties and dividends totaling USD122.43m in 2023 (2022: USD73.21m).

In addition to the above tax-base contribution, ABM has spent USD3.51m on community initiatives in 2023 (2022: USD3.10m), including the commitment register, Lowa Alliance and basket fund contributions.

2.4 Process for Engaging with Suppliers

As part of ABM's supplier program, suppliers are required to complete and sign a Vendor Application, a Due Diligence Questionnaire, Certificate of Anti-corruption compliance, General Terms and Conditions of Purchase contract and the ABM Responsible Supply Chain policy. Once these documents have been completed, they are reviewed and if all is in order the supplier is approved. The company has established, where practical, long-term relationships with suppliers that meet its Supply Chain transparency requirements and Responsible Supply Chain Policy.

2.5 Company Level Grievance Mechanism

Alphamin does not accept behaviour which is inconsistent with its Code of Ethical Conduct and Responsible Supply Chain Policy by any employee, contractor, supplier or Board Member. If an employee becomes aware of any such behaviour, they are

required to report it to their Manager, the AFM Chief Compliance Officer, the ABM Managing Director, or the Audit Committee, using the established Grievance procedure (if disclosure is chosen), or through the Company toll free number where anonymous disclosure is an option. The Ethics Hotline Services provided by Whistle Blowers Pty Ltd plays a pivotal role in ABM's risk management and legal compliance program. All calls to these numbers are made to an independent third party with specialist knowledge and experience in dealing with calls of this nature and all information is treated as strictly confidential. The anonymity of all callers is guaranteed. The hotline number is tested regularly to ensure service availability. All calls to the hotline numbers were monitored and no incidents were reported through the Ethics Hotline Services in 2023.

Alphamin will not tolerate any form of retribution or victimization against those who speak out against violations of the Code of Ethical Conduct and Responsible Supply Chain Policy and all stakeholders (supplier, customer, employees, local citizens, etc.) are urged to report any instances of victimization to the Chief Compliance Officer, the Audit Committee or on the Company toll free numbers.

Any unethical or undesirable behavior, questionable accounting or auditing practices or violations of the Code of Ethical Conduct can be reported to the AFM CFO or ABM Managing Director and the company toll free numbers.

In addition, a Grievance Process for all internal employees and both internal and external stakeholders is available and is managed by the Community Development Department through its Community Liaison & Grievance Officer.

This is available to those who are open to disclosing their concerns independently or after using the toll-free confidential access point.

Stakeholders can also utilize the Responsible Minerals Initiative (RMI) Grievance Mechanism to raise concerns about ABM's operations since ABM is a member of RMI. The Grievance Mechanism is located on the RMI [web site](#).

Grievances, whatever their source or routing, are documented, reviewed and dealt with as needed at the level of the ABM Finance Officer (AFM CFO) and ABM Managing Director.

3. Identify and Assess Risk in the Supply Chain

ABM utilizes the following elements to identify risks in the supply chain. The specifics on how it manages the process for mine site inspection, ICGLR audit, extraction, handling and transportation of minerals is described below.

3.1 Mineral Extraction

3.1.1 Mine Site Validation

Under its Industrial Mining Permit, ABM is not required to undergo a governmental annual mine site inspection for validation process as a site free of conflict or conflict financing. In the DRC the annual validation of blue, green, yellow or red status is applied

only to artisanal sites. The conflict-free status of Bisie as an industrial mine is assured by the ongoing and permanent presence of representatives of the Government Mining Services, which includes the two services directly responsible for issuing the ICGLR Regional Certificate (Division of Mines and Centre of Expertise, Evaluation & Certification of precious and semi-precious substances, the CEEC). If the Government identifies any risks, they communicate these to ABM and ABM, along with the government, confirms if there is a risk that requires mitigation and, if so, develops and implements risk mitigations measures accordingly.

3.1.2 ICGLR Exporter Audit

ABM was the first DRC industrial exporter to have undergone an ICGLR Third Party Audit (TPA) following the revised RCM and audit process implementation. This TPA was conducted in 2021 with the report issued in March of 2022.

ABM conformed to the requirements of the ICGLR Regional Certification Mechanism and there were no issues identified or associated with Conflict, Human Rights or Formality/Transparency, and Alphamin subsequently received a Green status. There were recommendations made that would strengthen their management system and these recommendations have been addressed or are in the process of being addressed. Validation will be reassessed in 2025 when ABM will be required to undergo their second ICGLR Third-Part Audit. ABM will initiate the TPA process in Q4 2024 and assist the process where appropriate and feasible.

3.1.3 Mineral Bagging and Export Approval Process

The bagging process is carried out by Alphamin staff and is overseen by representatives of Government Services, namely:

- Mining Division (DDM);
- Congolese Control Office (OCC);
- General Directorate of Customs and Excise (DGDA);
- General Atomic Energy Commission (CGEA); and
- Centre of Expertise, Evaluation & Certification of precious and semi-precious substances (CEEC).

Immediately prior to sealing the bag of concentrate, a sample is collected by representatives of the Government Services and delivered in Goma to the five Government Services listed above followed by full weighing. The samples are analyzed by the CEEC and the OCC which are the two government services which have laboratories, and these services are authorized to issue certificates. The results of the CEEC analysis are those used to generate the administrative value as well as the export value for customs, royalties and other taxes. Three other samples are archived without analysis by the Mining Division, General Directorate of Customs and Excise and General Atomic Energy Commission for DRC regulatory compliance and can be used in case of dispute.

The independent laboratory at Bisie (independently of the Government Services) take and maintain a sub-sample of each production lot for invoicing of ABM customers and, if necessary, umpire analysis.

After the Government Services have collected their samples, each bulk bag is sealed, and a tag attached by ABM with unique numbering reflecting the ABM and Mining Division number of the lot to which the bag belongs, all five government services present witnessing the process. The sealed bulk bags are arranged into production lots of 24WMT (Lots) and loaded onto 3 rough terrain trucks. The rough terrain trucks transport the bulk bags from Bisie mine site to ABM's secured tin marshalling yard at Logu, a distance of 38km by its private mining road (to help mitigate risks, the road is owned, and access controlled by ABM). At Logu the bulk bags are transferred into Shipper Owned Containers (SOC) with one lot per container, while the export documentation approval process continues at Goma and Logu, process closed by the issuance of an ICGLR certificate (of origin being conflict-free).

3.2 Mineral Transport Process

3.2.1 Containerised Concentrate

Once all export documents have been received (27 documents issued by 7 different GDRC services and ABM for each 24-tonne lot), the SOC is sealed by the DRC customs authority (DGDA) seal and the ABM seal. Both seals are tamper proof and are uniquely numbered. The SOC is loaded onto a truck and dispatched in batches of one or more trucks per convoy.

ABM has established a number of truck stops between Logu and the three potential border posts between DRC and Uganda. The average transit time was 29 days in 2023. The specific route may shift truck stops and border posts depending on road and security conditions. The convoys only drive during daylight hours, parking overnight in the safety of the truck stops. ABM security teams at the truck stops are required to check the condition of the seals on the SOC and report any instances of tampering. Where the convoy cannot reach the truck stop (due to breakdowns or poor road conditions), the truck/s will have to spend the night on the road and still report to the truck stop as soon as possible the next day so that the ABM security team can inspect the seals and report on their condition.

3.2.2 Concentrate in Bags

Circumstance (transport route impairments i.e., poor road conditions, bridge failures, river crossings etc.) may require concentrate to be transported in the sealed bags from the mine and reloaded onto another vehicle prior to being trans-loaded for export in a sealed container. In that case, the relevant government agents verify the off-loading and on-loading as required with documentation integrated in with all other export documents.

To monitor security and supply chain integrity during transport, ABM Security monitors truck movements within the DRC, documenting any security or supply chain integrity issues such as roadblock payments, etc. Periodic and/or random escorts to monitor and

document these issues are undertaken depending on need. Given the possibility of unforeseen security concerns, routing may vary or change to assure an adequate level of security. Customers are made aware of any transportation deviations as needed and any risk mitigation measures introduced if that is necessary.

3.3 Chain of Custody Handover Process

On entering Uganda, the Ugandan Revenue Authority (URA) seals each SOC with an electronic lock and allows the convoy to travel to the freight forwarding agent's premises in Kampala, under Ugandan police escort. On arrival at the premises, the freight forwarder notifies the URA and a representative of the URA removes the electronic lock and witnesses the opening of the SOC.

The freight forwarder offloads the bulk bags from the SOC and reloads them into 6m Liner Owned Containers (LOC). A representative of the transporter is present during offloading of the SOC to conduct a quick analysis of the mineral content of the bulk bag using a handheld XRF analyzer. If the seals are found to be intact and the readings of the XRF analyzer match the recorded grade (plus or minus 5%Sn), the bag is handed over to the customer and risk and ownership is deemed to have passed to the offtake buyer. Damaged bags or bags where the seals appear to have been tampered with are quarantined in 20ft lockable containers placed inside the freight forwarders' premises. Independent assessors then investigate the cause of damage/tampering, and if found to be due to normal wear and tear, the product is re-bagged and loaded into the LOC. To date no illegal tampering has been discovered, but in the event of tampering, the assessor will notify ABM, and the security team will quarantine the entire Lot and conduct a full investigation on the movements of the convoy from Logu to Kampala in order to determine exactly where the tampering took place.

From Kampala the sealed LOC is transported under the buyer's care to Mombasa for shipping to the smelter.

4. Design and Implement a Strategy to Respond to Identified Risks

Alphamin is committed to ensuring that sound and effective systems of internal control and enterprise risk management are developed, embedded, implemented and consistently reviewed throughout the organization. To achieve this commitment Alphamin has implemented a Risk Management Framework with associated systems and controls. The ABM Managing Director is responsible for communicating identified risk to the senior management team and, together with the ABM Chief Financial Officer, is responsible for communicating to the ABM Board.

Alphamin uses a reporting framework and template which includes the following aspects:

- 4.1 Risk category/cluster
- 4.2 Description of the risk
- 4.3 Discussion on the context of the risk
- 4.4 Discussion on the business implications of the risk
- 4.5 Review of the current controls
- 4.6 Evaluation of the efficiency of the controls

- 4.7 Evaluation of impact and likelihood
- 4.8 Overall rating
- 4.9 Risk Mitigation measures
- 4.10 Action plan and risk mitigation strategies with specific responsibility.

The following risks in 2023 were identified with the appropriate mitigation measure implemented:

Alphamin continues to work closely with a broad range of stakeholders to monitor and report any risks related to on-going activities through outreach and engagement including:

1. employees and contractors,
2. local communities, and
3. government, including public security at local, provincial and national levels, and,

Alphamin uses a comprehensive community and employee grievance system which systematically tracks all concerns as described in section 2.5.

There were a slightly smaller number of grievances recorded in 2023 than the previous year. In all cases during 2023 the community and employee grievances were similar in category and number to that of the previous year and were either resolved or, at year end, were still either being investigated or mitigated.

A confidential telephone based “Ethics Hotline Service” provided by Whistle Blowers Pty. Ltd. is also available and widely publicized to allow anonymous or identified and discrete concerns, complaints and grievances to be submitted to the company by employees, contractors and local residents.

Security risks are reported separately and include issues such as theft and physical threats on the ABM concession and in nearby communities. These types of risks increased in 2023 both for ABM and for neighboring communities. Communities from a wide radius of ABM’s concession experienced an increase in armed robbery and there were three armed incidents on the concession as well.

ABM has worked closely with local public security and communities to analyze the pattern of these armed physical threats and identify mitigation strategies for these risks. These include increased information sharing from local communities and public security which confirm this type of threat appears to be the work of a small group of criminals. The DRC Armed Forces (FARDC) decided to increase deployment of additional units to work in new joint vehicle and night-time walking patrols with the national Mine Police on the ABM concession. By the end of 2023 and into 2024 these interventions, both increased information and patrols, have significantly reduced such incidents on and off the concession.

The risk analysis and mitigation of these threats is applied consistently with the Voluntary Principles on Security and Human Rights, to which both ABM and the Government of the DRC is committed to based on adherence and membership in the initiative.

There has been serious disruption in the transport of materials due to security related issues, poor infrastructure including the failure of bridges and/or extremely poor road conditions. Alphamin has worked with the Government and local communities to mitigate these risks and developed temporary solutions so that minerals could continue to be exported and all appropriate taxes and fees could be paid. Alphamin continues to look at collaborative efforts to improve road conditions along the transport route and invests significantly in ongoing road maintenance. Alphamin has alternative transport routes depending on the situation to assure the most secure and passable routes are taken.

5. Conclusion

This report summarizes the requirements of the annual reporting obligations by the Government of the DRC, ICGLR and OECD Due Diligence Guidance. Since commencing mining operations in 2019 and as the first industrial tin mine in the DRC, Alphamin continues to work closely with the Government of the DRC, concerned stakeholders and the local community to assure the mining operations are in conformance with international accepted standards. By doing this ABM has created a world class mining operation, demonstrating that businesses can profitably operate in the eastern-DRC, creating economic stability, supporting community growth, and contributing to peace and stability.