



RISK ASSESSEMENT ON THE DELIVERY AT PHOENIX METAL 2014



I. MEASURES FOR RISK MITIGATION

In reference to Annex III for the OECD Guide, Phoenix Metal is very careful about risk assessment and implemented some measures in line with the guide.

Supply chain policy – security and exposure of artisanal miners

To mitigate the risk in its supply chain, Phoenix Metal prefers to work with cooperatives, associations or other structures in good standing with respect to the laws in force in Rwanda.

Bribery and fraudulent misrepresentation of minerals origin

To mitigate the risk in its supply chain, Phoenix Metal provides financing support to its suppliers in order to improve their production. Phoenix Metal also put in place an experimented team dedicated for evaluation on mine sites. With this financial collaboration, Phoenix Metal might conduct a more efficient due diligence for responsible supply chains of minerals.

In 2014, Phoenix Metal participated in improving mine site for a total of 166.000 USD.

Money laundering

To mitigate the risk in its supply chain, Phoenix Metal is collecting all documents needed to identify suppliers (License, owner identification, company profile, business license, Tin number), and centralized it in a computerized system.

Transparency on taxes, fees and royalties paid to governments

Phoenix Metal applies the laws of Rwanda which consists of taxing 15% to suppliers who do not fulfill with the Rwanda Revenue Authority rules. Phoenix Metal is also in regular contact with government agencies and iTSCi if any suspicious activities are observed.



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II. OBSERVATION AND ANALYSIS IN 2014

In regards to deliveries made by our suppliers during 2014, we found some increases in our customers' production in 2014 in comparison with 2013. After analysis, these production increases were justified by different reasons listed in the table below:

COMPANY NAME	INCREASE in KG	Code MINE	MINE NAME	REASONS OF INCREASING
ALFA MINERALS SUPPLIES LTD	- 48 801,30	R17201	Nyanga	Visited on 21/4/2014 - Increased number of diggers and deliveries due to a good price on the International Market and relationship with PM.
ALFA MINERALS SUPPLIES LTD	- 23 557,70	R17202	Karwa	Visited on 21/4/2014 - Increased number of diggers and deliveries due to a good price on the International Market and relationship with PM
AMEKI COLOR	- 9 236,90	R12401	Mbuye 2	Visited on 14/2/2014 - rich in mix mineral (collan and cassiterite). They made an investment on tools (Poclin) which improve the quality of work on site
AMKG	- 3 312,90	R03101	Bitango	Visited on 10/02/2014, rich in Wolfram and mix mineral. Increase of deliveries due to a good price on the International Market and relationship with PM
AMKG	- 5 927,30	R03105	Kageshi	Visited on 10/02/2014, rich in Wolfram and mix mineral. Increase of deliveries due to a good price on the International Market and relationship with PM
AMKG	- 2 024,00	R03102	Nyugo	Visited on 10/02/2014, rich in Wolfram and mix mineral. Increase of deliveries due to a good price on the International Market and relationship with PM
BARWA MINING COMPANY LTD (BMC)	- 3 867,50	R09902	Rwibikona	Visited on 18/06/2014, rich in Cassiterite. Increase of deliveries due to a good price on the International Market and relationship with PM
BMDC	- 8 053,70	R02402	Kinyove	Visited on 13/10/2014. Production of Wolfram and Cassiterite. Increase of production due to use of big engine on site, which facilitate extraction
CODINYA	- 2 001,60	R06604	Nyakabingo 3	Visited on 4/9/2014. Increase of production due to works made on water procurement to the mine
COMKA	- 8 031,00	R07801	Binyeri	Visited on 14/01/2014, mine rich in Collan and Cassiterite. Increased diggers and favorable international market (trade) with PM
ELAYONO MINING COMPANY LTD	- 2 403,70	R19202	Kabashara	Visited on 12/12/2013 - Increase number of diggers on site
ELAYONO MINING COMPANY LTD	- 8 233,50	R19203	Nkama	Visited on 12/12/2013 - Increase number of diggers on site
ELAYONO MINING COMPANY LTD	- 2 701,70	R19201	Ruhangiro	Visited on 12/12/2013 - Increase number of diggers on site
ELAYONO MINING COMPANY LTD	- 6 731,90	R19204	Shwemu	Visited on 12/12/2013 - Increase number of diggers on site
JASPER MINERALS SUPPLIES LTD	- 32 085,40	R13402	Giturwa	Visited on 06/01/2014, Favorable international market (trade). good business relationship with PM
JASPER MINERALS SUPPLIES LTD	- 15 472,60	R13401	Musasa	Visited on 06/01/2014, rich in collan and cassiterite. Increase of deliveries related to a good business relationship and trade with PM
JASPER MINERALS SUPPLIES LTD	- 42 201,50	R13407	Mutarama	Visited on 03/02/2014, rich in Wolfram. Increase of deliveries due to a good price on the International Market and relationship with PM.

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COMPANY NAME	INCREASE in KG	Code MINE	MINE NAME	REASONS OF INCREASING
JASPER MINERALS SUPPLIES LTD	- 15 139,10	R13403	Ndiza	Visited on 06/01/2014, rich in Wolfram. They found a new vein, which justify the increase in production.
JASPER MINERALS SUPPLIES LTD	- 5 000,50	R13406	Uwamakumba	Visited on 03/02/2014, better price on the international market motivate them to increase number of diggers on site.
MINING QUALITY SUPPLY LTD	- 20 227,60	R14102	Dihiro	Visited on 15/4/2014, rich in Wolfram. They found a new vein, which justify the increase in production.
MUNYABARENZI MATHIAS (M&M GAKENDE MINING LTD)	- 1 492,50	R03301	Kinyevu	Visited on 14/07/2014, rich in cassiterite and coltan. Increase their deliveries due to a good pricing strategy at PM
NGOGA SPECIALTIES Ltd	- 9 674,20	R18901	Kanazi	Visited on 5/3/2014 – rich in cassiterite. Increase number of diggers + Increase deliveries due to good pricing strategy at PM
PROGRESS MINING WELFARE Ltd	- 7 412,80	R19401	Nyabigega	Visited on 22/05/2014, rich in coltan and cassiterite. Increase their deliveries due to good pricing strategy at PM
RETC Ltd	- 20 498,80	R21101	Rubuye	Visited on 08/01/2014. Increase their deliveries due to a good pricing strategy at PM.
RETC Ltd	- 9 216,10	R21103	Rukombe	Visited on 08/01/2014. Increase their deliveries due to a good pricing strategy at PM. They also increase number of diggers on this site.
RETC Ltd	- 15 184,10	R21102	Rumombe 1	Visited on 08/01/2014. Lot of Wolfram on this site. Good pricing strategy
SONGA MINERALS ENTERPRISE LTD	- 8 501,30	R14501	Kanyana 1	Visited on 12/06/2014, rich en wolfram et cassiterite. They found a new vein, which justify the increase in production.
SONGA MINERALS ENTERPRISE LTD	- 2 571,90	R14502	Mubogo	Visited on 12/06/2014, rich en wolfram et cassiterite. They found a new vein, which justify the increase in production

Except those reported by ITSCI, Phoenix Metal Ltd did not found suspicious cases during 2014.