



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 identity 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.



III. CONCLUSION

Periodically Phoenix Metal is receiving the ITSCI report with the list of suppliers for which they recommend to perform due diligence. This listing, received by Traceability team is subject to analysis and is transmitted to the concerned departments. Phoenix Metal's strategy is to stop any purchase transaction with suppliers alerted/blacklisted until their situations are clarified.

This formal order from the Management of Phoenix Metal is scrupulously followed by all employees in the company and which aims to mitigate the potential risk in the supplying chain.

Due diligence (OECD guide Annex III) reports made in 2014: 166
Visit reports (localization, capacity, and analysis on site) made in 2014: 156
(List attached to this report)

Phoenix Metal pays also attention to change of corporate name of some companies. In 2014, Secocoge Ltd became Excellent Mining Co; Coopemika became Kayenzi Mining Company Ltd, Quincaillerie Piano became Betisida. Without always knowing the real reason of this company name' modification, Phoenix Metal is taking into account these changes by recompiling a new file, with the official documents required for a potential new collaboration, while preserving the past study of the mining activity of the site.

As previously reported, the main issue for Phoenix Metal is to evaluate the capacity of a mine site in comparison to the global effective deliveries. Actually, for Phoenix Metal production level can match with the reality on the ground; but some suppliers can deliver small quantities to different comptoirs without creating suspicion on their production.

Kigali, 23rd April 2015.

Phoenix Metal Ltd



In annexure : Due diligence and visit reports listing – 2014 (3 pages)

PHOENIX METAL LTD - DUE DILIGENCE AND VISIT REPORTS - 2014

DATE	COMPANY NAME	DUE DILIGENCE REPORT	DATE	COMPANY NAME	VISIT REPORT
20/11/2014	AGACIRO MINING COOPERATIVE	2	20/11/2014	AGACIRO MINING COMPANY	1
21/04/2014	ALFA MINERALS SUPPLY	2	21/04/2014	ALFA MINERAL SUPPLY	1
14/02/2014	AMEKI COLOR	1	27/06/2014	AMARONGI	2
06/03/2014	AVIE	1	11/09/2014-14/02/2014	AMEKI COLOR LTD	2
30/04-18/06-02/4/2014	BARWA MINING COMPANY	4	06/03/2014	AVIE LTD	1
27/05/2014	BCHA MINING COMPANY	3	18/6-02/04-30/4/2014	BARWA MINING COMPANY	4
26/09/2014-23/05/2014	BETISIDA MINING COMPANY	4	27/05/2014-27/09/2014	BCHA MINING COMPANY LTD	3
23/10/2014	BMDC	2	26/09/2014-17/06/2014	BETISIDA MINING COMPANY LTD	5
25/04/2014	BMTC	1	30/9-05/11-23/10/2014	BMDC LTD	3
27/05/2014	BUSANZE MINERS	1	05/03/2014	CALLIANE MINES	2
05/03/2014	CALLIANE	2	2/4/2014-14/01/2014	COMIKA	3
04/09/2014	CODINYA	1	10/05/2014	COMIKAGI	5
02/04/2014-14/01/2014	COMIKA	3	09/01/2014	COOPERATIVE DUHISHURE	1
10/05/2014	COMIKAGI	5	30/04/2014	COREMIR MINERALS LTD	1
06/06/2014	COPEMIKA	2	30/04/2014	DEMICO	5
29/04/2014-30/04/2014	DEMICO LTD	5	04/06/2014	COOPERATIVE DUHISHURE DE KAYONZA	1
03/10/2014	DEMIKARU LTD	1	25/05/2014	DUJACK MINING COMPANY LTD	1
10/04/2014	DUJACK MINERALS COMPANY	1	03/10/2014	DEMIKARU LTD	1
25/09/2014	ETS HAJOS LTD	2	11/06/2014	KOPERATIVE DUSUZUMURIMO	1
17/03-21-5-2014	ETS KARINDA	2	24/04/2014	EAMICO LTD	1
29/05-20/01-29/5/2014	EXCELLENT MINING COMPANY	3	21/05/2014-17/03/2014	ETS KALINDA	2
27/08/2014	FURNITURE BUSINESS AND TECHNOLOGY	2	29/05/2014	EXCELLENT MINING COMPANY	2
29/01/2014	GASIZA	3	27/08/2014	FURNITURE BUSINESS AND TECH.	2
11/09/2014	GMC GATUMBA	2	27/08/2014-06/08/2014	GASABO MINING COMPANY	2
04/03/2014-02/12/2014	HARVEST MINING COMPANY	2	05/02/2014	GASIZA MINING COMPANY	1
18/06/2014	HATALE COMPANY LTD	1	11/09/2014-13/08/2014	GATUMBA (GMC)	3
16/09/2014	HCK MINING COMPANY LTD	1	3/12/2014-21/01/2014	HARVEST	2
15/09/2014-18/02/2014	HOPE MINERALS COMPANY	2	8/8-2/7-18/06/2014	HATALE COMPANY LTD	3
06/01-03/02-23/1/2014	JASPER MINERALS	8	15/09/2014	HOPE MINERALS LTD	1
03/09/2014	KAGA MINING COMPANY	2	24/10/2014	ISHYAKA MINERALS	2
11/12/2014-04/06/2014	KALJAM MINES	3	30/04/2014	JASPER MINERALS	1
06/06/2014	KAMICO LTD	6	16/09/2014	JOINT MINING COMPANY	1
26/06/2014	KIAMANYA	2	16/01/2014	JURU MINING COMPANY	1
14/05/2014	KIGALI GOODS LTD	1	17/9/2014-03/09/2014	KAGA MINING COMPANY	2
11/1/2014-18/07/2014	KIVU METAL SUPPLIES COMPANY	2	19/2-22/8-12/06/2014	KALJAM	3
11/06/2014	KOPERATIVE DUSUZUMURIMO	2	06/06/2014	KAMICO	4

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DATE	COMPANY NAME	DUE DILIGENCE REPORT	DATE	COMPANY NAME	VISIT REPORT
10/10/2014	LA MISERICORDE TRADING COMPANY	1	26/06/2014	KIAMANYA	1
23/01/2014	LOVE EACH OTHER MINING	1	14/05/2014	KIGALI GOODS (KAG)	1
01/01/1900	MCCS	1	18/07/2014	KIVU METAL SUPPLIERS COMPANY	1
02/10/2014	M-CEMICO	1	03/01/2014	KUAKA	1
11/07/2014-22/04/2014	MERCI JESUS COMPANY LTD	5	10/10/2014	LA MISERICORDE TRADING	1
10/10/2014	MCGK LTD	1	23/01/2014	LOVE EACH OTHER MINING	1
12/02/2014	MILLENIUM MINING COMPANY	1	16/10/2014	MCCS	1
15/04/2014	MINING QUALITY SUPPLY	1	21/10/2014-25/08/2014	M-CEMICO	2
16/01/2014	MMBP	2	10/10/2014	MCGK LTD	1
/27/02/2014-07/03/2014	MUNYABARENZI	2	05/5-11/07-22/04/2014	MERCI JESUS COMPANY LTD	4
25/06/2014	MUSHONYI MINING&CONSTRUCTION	2	12/02/2014	MILLENIUM MINING COMPANY	1
21/05/2014	NEW LINE DEVELOPMENT LTD	2	12/02/2014	MIMICO	1
13/10/2014	NEW LINE MINING COMPANY	1	15/04/2014	MINING QUALITY SUPPLY	1
26/06/2014	NGOGA SPECIALITIES LTD	1	17/04/2014	MTC LTD	2
12/02/2014	NIKA MINING	2	22/05/2014	MUNYABARENZI	2
12/02/2014	NTEKO AFRICAN MINING	3	25/06/2014	MUSHONYI MINING COMPANY	2
14/07/2014	PROGRESS MINING WELFARE	2	24/02/2014	MUYIRA MINING COMPANY	1
27/05/2014-17/06/2014	R MC (Rugamba Mining Company)	2	21/05/2014	NEW LINE DEVELOPMENT LTD	3
08/05/2014	RAMY MINING LTD	2	13/10/2014	NEW LINE MINING COMPANY	1
08/07/2014	REAL BROTHERS	1	26/6/2014-10/03/2014	NGOGA SPECIALITIES	2
08/01/2014	RETC	1	06/3/2014-13/02/2014	NIKA MINING LTD	4
08/10/2014	RF& GM LTD	2	29/07/2014	NTF	1
03/04/2014	RM AND SONS LTD	1	14/07/2014	PROGRESS MINING WELFARE	1
18/03/2014	RULI MINING TRADE	2	26/06/2014	RAMY MINING LTD	2
01/09/2014	RUTOBWE MINING COMPANY	1	07/10/2014	RDA PURE WATER	1
07/10/2014	RWANDA PURE WATER	1	08/01/2014	RETC LTD	3
14/05/2014-16/05/2014	RWANDA YOUNG MINERS	2	17/06/2014	RMC (Rugamba mining company)	1
04/02/2014	SIMBARWA	2	21/03/2014	RULI MINING TRADE	2
01/10/2014	SODECOMIN	1	24/09/2014	RUTOBWE MINING COMPANY	1
23/03-21/03-24/1/2014	SOFAMA	4	04/02/2014	SIMBARWA	2
03/10/2014	SOMIKA LTD	1	01/10/2014	SODECOMIN	1
12/06/2014	SONGA MINERALS SUPPLY LTD	2	21/03/2014	SOFAMA	1
04/12/2014	SPCT LTD	1	03/10/2014	SOMIKA LTD	1
19/02/2014	SRMC	1	12/06/2014	SONGA	2
14/05/2014	STANDARD MINING COMPANY	2	11/02/2014	SOREMI INTEGO	2
09/12/2014-22/05/2014	SUGIRA	4	02/10-04/12-08/09/2014	SPCT LTD	3

PHOENIX METAL LTD - DUE DILIGENCE AND VISIT REPORTS - 2014

DATE	COMPANY NAME	DUE DILIGENCE REPORT	DATE	COMPANY NAME	VISIT REPORT
07/10/2014	TOP CONSTRUCTION LTD	1	20/8/2014-19/02/2014	SRMC	2
24/10/2014	TOP FUTURE	1	29/4/2014-14/05/2014	STANDARD MINING COMPANY	3
10/04/2014-26/06/2014	UBWIZA BWURWANDA	4	09/12/2014-22/05/2014	SUGIRA SARL	3
05/09/2014	UKWELI TRADING LTD	1	07/10/2014	TOP CONSTRUCTION LTD	1
30/05/2014	UMUCH MINING LTD	1	24/10/2014	TOP FUTURE	1
28/01/2014	UMWIZARARANGWA	1	24/02/2014	TWABUGEZI EXPLOITATION LTD	1
25/06/2014-18/09/2014	UNM LTD	2	26/06/2014	UBWIZA BWURWANDA	3
21/04/2014	UZU MINING	2	05/09/2014	UKWELI TRADING	1
18/06/2014	VIMICO	2	28/08/2014	UNM	1
12/02/2014	VISION MINING LTD	2	21/04/2014	UZU MINING COMPANY	2
LE NOMBRE TOTAL DES DUE DILIGENCE 2014		166	LE NOMBRE TOTAL RAPPORTS DE VISITE 2014		156