Mission report on observation and verification of alleged illegalities in extractive industries

Rapport de mission d’observation et de vérification sur les cas présumés d’illégalités d’industries extractives

MISSION OBSERVATION AND VERIFICATION REPORT ON PRESUMED CASES OF ILLEGALITIES IN EXTRACTIVE INDUSTRIES MISSION TEAM: Olivier MEYE OBIANG, Independent Expert Elodie Grace NTSAME OLLOMO, Lawyer Botrin EBANG MINKO, GIS Technician/Independent Expert MISSION NO. 004 FROM APRIL 7 TO 13, 2019 LOCATION: NDJOLE (PROVINCE OF MOYEN-OGOOUE, DEPARTMENT OF LABANGA- BIGNE) VISIT TITLE: MINING PERMIT- ALPHA CENTAURI MINING SA (MBOUMI-EST) June 2019

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Page 2 of 39 LIST OF ABBREVIATIONS ACM Alpha Centauri Mining SA AFS Africa Farm Services SARL CNAMGS National Health Insurance and Social Guarantee Fund CNSS National Social Security Fund DCMAE Directorate of Mining Cadastre and Economic Affairs DGE General Directorate of Environment DGFAP General Directorate of Wildlife and Protected Areas DGPEM General Directorate of Mining Property and Exploitation EPI Personal Protective Equipment FOB Free On Board MEFEDD Ministry of Water and Forests, responsible for Environment and Sustainable Development MEFEPEPN Ministry of Forestry Economy, Water, Fisheries, Environment responsible for Nature Protection MMI Ministry of Mines and Industry OI Independent Observer NGO Non-Governmental Organization OIE External Independent Observation PPF Wildlife Protection Plan QHSE Quality-Hygiene-Safety-Environment RMP Proportional Mining Fee RS Surface Fee ROLBG Network of Free Civil Society Organizations for Good Governance in Gabon SEM Equatorial Mining Company SG General Secretariat

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Page 3 of 39 EXECUTIVE SUMMARY The NGO Brainforest conducted from April 7 to 13, 2019, an external independent observation mission in the mining permit of Alpha Centauri Mining SA

(ACM), located in the Ndjolé area. This mission aimed to verify the legality and compliance of gold mining activities ongoing in the said permit. It was initiated based on information published by the Network of Free Civil Society Organizations for Good Governance in Gabon (ROLBG), regarding presumed cases of illegal activities related to gold exploitation by Alpha Centauri Mining SA (ACM). The actions carried out during this mission, including interviews with stakeholders (ACM, the Prefect, ROLBG, and the artisanal mining communities), document analysis, and site visits, allowed the OI team to identify several facts, including: inappropriate used oil storage shelters, measures taken for water control, and the absence of a wildlife protection plan. Following these observations, the OI made the following recommendations: To the administration in charge of mines: - Ensure that ACM fully enjoys the rights attached to its mining title by removing all illegal miners. To the DGE: - Undertake a mission to control the activities of artisanal miners to assess their impacts on the environment. To the forestry administration: - Clearly regulate the process of logging and valorization of wood within mining permits. To ACM: - Build a storage shed for used oils at its Bigne 1 and 2, Mintoum, and Bingamgam sites; - Develop the wildlife protection plan for its mining title, in accordance with the provisions of decree n°00937/MEFEDD/SG/DGFAP of July 11, 2018; - Initiate a process that will allow it to assist communities in establishing a system for collecting and storing household waste produced by them; - Present the difficulties encountered in the registration process of some of its employees to all competent authorities in the city of Ndjolé (the President of the court, the Prefect, and the Mayor), while seeking their assistance to find solutions; - Ensure strict compliance with the use of PPE by workers by developing an internal manual for PPE use and rigorously monitoring compliance with its various prescriptions; To HUNTER MINING: - Expand the safety embankment of the settling basin to about 2 meters; - Provide housing whose area would allow the employee to have sufficient privacy and to have their family with them, if necessary.

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Page 5 of 39 I. INTRODUCTION I.1. Context On January 31, 2019, the Network of Free Civil Society Organizations for Good Governance in Gabon (ROLBG) published a report denouncing a violation of the provisions of the Mining Code by the mining company Alpha Centauri Mining SA (ACM). This report highlighted presumed cases of illegal activities related to gold exploitation by ACM to the detriment of neighboring communities, including: - Large-scale pollution of rivers in the gold mining area; - Large-scale destruction of ecosystems; - Absence of environmental and social support measures; - Use of fictitious Chinese companies to ensure illegal subcontracting. ROLBG also noted in its observations, conflicting relations between stakeholders, namely communities, authorities, and ACM. In order to substantiate the serious allegations made in the report, Brainforest, which extends its independent observation missions to all activities related to the exploitation of natural resources, conducted an external independent observation mission in the Ndjolé area from April 7 to 13, 2019, as part of the Citizens' Voices for Change (CV4C) project. I.2. Objectives of the mission The general objective of the mission was to verify the legality and compliance of gold mining activities in the mining permit of Alpha Centauri Mining SA (ACM), located in the Ndjolé area. Specifically, it aimed to: - Examine the compliance of various actors (ACM and artisanal miners) with environmental standards related to gold mining activities. - Describe ACM's practices regarding labor law in the concession; - Describe the existing relations between ACM and the neighboring communities/artisanal miners of its concession.

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Page 6 of 39 II. METHODOLOGY AND ITINERARY OF THE MISSION II.1. Methodology To achieve its objectives, the team conducted a documentary review regarding the mining permit of ALPHA

CENTAURI MINING SA, followed by interviews with stakeholders involved in its exploitation. This included the management of ACM, artisanal mining communities, local authorities represented by the Prefect, and representatives of ROLBG. Before any site visits, the team obtained prior authorization from ACM to visit its exploitation sites. In addition to ACM's exploitation sites, the team visited six (6) artisanal mining camps located within the ACM permit to observe the practices occurring there. Subsequently, two (2) meetings were held with ACM management, one in Ndjolé for a debriefing after the site visits and the other in Libreville at ACM's offices for the submission of the company's administrative documents. The team also deepened its investigations after the field mission through an interview with the administrations responsible for monitoring ACM's activities, namely the administration in charge of the environment and the Ministry of Mines. II.2. Itinerary of the mission The mission followed the itinerary below: Itinerary Distance (Km) Road Condition Libreville - Ndjolé 224 Good Ndjolé – ACM Permit 1 By river ACM Permit - Ndjolé 1 By river Ndjolé - Libreville 224 Good

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Page 7 of 39 Map 1: Mission Itinerary III. PRESENTATION OF THE MISSION AREA The observation area is located in the ACM mining permit, specifically in the part currently being exploited called MBOUMI-EST. The exploitation there concerns gold. The ACM permit is located in the department of L'ABANGA-BIGNE, more precisely in the city of Ndjolé (Left bank of the Ogooué). The company has currently opened five exploitation sites and there are nearly twenty traditional artisanal mining camps managed by the communities living in the MBOUMI-EST permit. The team made its observations on three of the five ACM exploitation sites visited and in two of the six artisanal mining camps visited. .

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Page 9 of 39 III.1. Presentation of the titles and actors visited Visited title: ACM Mining Permit General presentation The MBOUMI-EST permit was granted for gold mining in 2016 to the company ACM and covers an area of 101 km2. It is located in the department of L'ABANGA-BIGNE, in the province of Moyen-Ogooué, on the left bank of the city of Ndjolé. Attribution orders _N°307/MMI/SG/DGPEM/DCMAE/SCM permit number G3-110 _N°308/MMI/SG/DGPEM/DCMAE/SCM permit number G3-111 _N°309/MMI/SG/DGPEM/DCMAE/SCM permit number G3-112 Exploitation Zones MBOUMI-EST: Bigne 1 and 2, Mintoum, Bissone and Bingamgam. Actors met Communities Artisanal miners Presentation Established in the area for nearly 50 years. A community composed of nationals (Nzebi, Kota...) and non-nationals. Exploitation title in the area None Activities in the mission area Traditional gold mining Activity zone(s) ACM permit, MBOUMI-EST area, near a score of sites Partnership None Company HUNTER MINING GABON SARL Presentation Company with Chinese capital since 2018, service provider Exploitation title in the area None Activities in the mission area Exploitation and rental of equipment

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Page 10 of 39 performing Activity zone(s) Gold mining site of Mintoum in the MBOUMI-EST permit Partnership ACM IV. MAIN OBSERVATIONS IV.1. Observations on environmental law Regarding ACM Observation n°1: Inappropriate storage shelters for used oils At the sites visited during the mission, notably Bigne 1, Bigne 2, Bissone, Bingamgam, and Mintoum, the team observed that only the Bissone site has a shed for storing used oils. It is also the place where oils from other sites are stored. Regarding these other sites, while waiting for their transport to the main shed, the oils are stored in rudimentary sheds. Indeed, compared to the main shed, which

is built more solidly and covered on the top, back, and sides, the other shelters are rudimentary sheds, covered only on top, and not on the sides, to ensure full waterproofing during bad weather. Order n°000545/PR/MEFEPEPN of July 15, 2005, regulating the recovery of used oils states in its article 3 that: "The holder is required to collect used oils from its facilities and store them under satisfactory separation conditions, avoiding in particular mixing with water or any other non-oily waste. To this end, it must have watertight facilities allowing the conservation of oils until their collection or disposal. These facilities must be accessible to vehicles responsible for their collection". Regarding the condition of the shelters designated for the conservation of oils, at sites other than Bissone, the operator argued that the oils were collected, at the end of the day, from the other sites to be stored at this one. However, it remains true that these oils are exposed to the elements all the time, before their transfer to the Bissone site. However, regarding the collection and treatment of these oils, the company ACM has signed a contract with the company Oilibya for the management of used oils in accordance with the provisions of article 5 of decree n°000545/PR/MEFEPEPN regulating the recovery of used oils.

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Page 11 of 39 Recommendation: ACM must build a storage shed for used oils at its sites in Bigne 1 and 2, Mintoum, and Bingamgam. Image 1: Storage location for used oils at Bissone Observation n°2: Measures taken for water control During field visits to the exploitation sites, the mission team noted that ACM draws water from nearby rivers for cleaning the ore and this is discharged into basins set up by the company, which are sedimentation basins. According to the conversation held with the site manager, the creation of these sedimentation basins results from a recommendation made by the DGE. They are intended to reduce the deposits of particles resulting from the cleaning of ores in the rivers. To ensure the good quality of the waters, ACM has quarterly analyses conducted on the surrounding rivers of the exploitation sites by the firm GEO -GUIDE. By consulting the analysis results, we were able to see that efforts are being made by ACM to maintain a pH between 6.5 and 7 (See Annex 3). In this regard, the mining code, in its article 218, obliges holders of mining titles to comply with the constraints and obligations related to the use, flow, or quality of waters of any kind. In view of the measures taken within the company ACM, to reduce the deposits of particles resulting from the cleaning of ores in the rivers, it can be affirmed that the latter complies with the legal prescriptions in this matter.

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Page 12 of 39 Image 2: Sedimentation basin 1 at the Bigne 1 site Image 3: Sedimentation basin 2 at the Bigne 1 site Furthermore, in the ROLBG report, it is stated that the company ACM uses chemical products for the treatment of ores, which would pollute the flowing waters. The team observed on the ground that the cleaning of ores is done mainly with water, from extraction (Sites of Bigne 1, 2, and Mintoum) and to treatment (Site of Bissone).

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Page 13 of 39 Image 4: Sign prohibiting hunting at the entrance of the Bissone site Observation n°3: Absence of a wildlife protection plan During interviews with ACM officials (presented in annex 8), they informed us that the company does not have a wildlife protection plan (PPF). The team only observed a sign prohibiting hunting at the Bissone site and no mention of fully protected species. Furthermore, in the company's internal regulations, the prohibition of hunting is only made on sites dedicated to the activity (art.13) and not on the entire permit. The wildlife protection plan is established by order n°00937/MEFEDD/SG/DGFAP of July 11, 2018. This order obliges all operators of concessions, forestry, agro-industrial, mining, and petroleum to draft their PPF and submit it to the DGFAP services, which have a period of three (3) months for examination and validation. Moreover, the mining code, in its article 218, obliges holders of

mining titles to comply with the constraints and obligations related to the protection of wildlife and flora. The absence of a PPF within the company ACM constitutes, according to the present prescription, a clear shortcoming by this company. Recommendation: ACM must develop the PPF for its mining title, in accordance with the prescriptions of order n°00937/MEFEDD/SG/DGFAP of July 11, 2018.

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Page 14 of 39 Observation n°4: Measures planned for the rehabilitation of sites after exploitation During interviews with ACM officials (see Annex 8), regarding the measures taken by the company to ensure soil and ecosystem rehabilitation, it was revealed that the company has initiated a procedure aimed at rehabilitating, after exploitation, the sites currently in operation. The observations made at the exploitation sites have noted that during ore extraction, the company uses sedimentation basins to minimize impacts on watercourses. Regarding the forest cover destroyed for exploitation, the company plans, after the exploitation of the sites, to reforest with plant species, notably acacias. In its mission report, the ROLBG noted that the company ACM has not planned anything for the "rehabilitation of the area during and after exploitation". It mentions "large-scale destruction of ecosystems and a lack of environmental support measures". Indeed, in accordance with the provisions of article 245 of the mining code, "At the end of the mining activities of the deposit, by abandonment of the sites or for exhaustion of the reserves, any holder of a mining title is required to implement the measures for after-mine management in accordance with the provisions of this law. It is notably required: - [...] to rehabilitate the sites either progressively during the exploitation, or at the end of it, in accordance with the closure plan initially submitted during the preparation of the feasibility study and the initial environmental impact study ... " For its part, the law relating to environmental protection in its article 120 places "the obligation of restoration" at the forefront in matters of violations or other shortcomings related to the field of the Environment. To better meet this legal requirement, ACM has signed a memorandum of understanding, in view of the rehabilitation of exploited areas for mining activities with the company AFS which operates in the plantation sector in Gabon. The action will therefore consist of identifying non-invasive species for the natural forest that will help restore degraded lands. Observation n°5: Management of timber felled at exploitation sites For the needs of its exploitation, ACM carries out wood cuts. This wood is subsequently stored in parks. We observed a wood park at the Bigne 1 site. According to the site managers, the wood is made available to communities that express a need for it, upon request to the company.

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Page 15 of 39 The mining code in its article 198 paragraph 1 states that: "The holder of a mining title who, for reasons related to their activities, cuts or has cut the wood necessary for their construction work, must determine, in agreement with the forest holder, the operations required for the establishment of the easement, including the layout, the felling, and the removal of the wood covering the concentrated area or areas." This article refers to cases of overlap between mining and forestry permits. In this case, the wood is the property of the forestry concessionaire. However, in this instance, ACM's mining permit is located within an old forestry concession. And nothing is stated by law regarding the fate of the cut wood. However, some wood cut in the context of these activities has commercial value. The team indeed observed the presence of an okoumé log approximately 80 cm in diameter, to name just this one, at the Bigne 1 site. Recommendation: The Ndjolé water and forests management must clearly frame the process of felling and valorization of wood within mining permits. Regarding the company Hunter Observation No. 6: Fragility of the settling ponds at the Mintoum site The team observed the three settling ponds established at the La Bigne 1, La Bigne, and Mintoum sites. These ponds

were set up on the recommendation of the DGE to combat any risk of water pollution by reducing the deposition of particles in the rivers. In the case of the Mintoum site, managed by Hunter Mining, the team noted a proximity between the waters resulting from the washing of mineral substances and a natural river (about 1 m). Indeed, the safety berm made solely of earth, serving as a separation between these waters and the river, is very narrow. It measures about 1 meter wide. This could pose a problem in the event of heavy rain, as due to erosion, particles from the washing of mineral substances could settle in the river and thus pollute it. Article 68 of Law No. 7/2014 of August 1, 2014, relating to the Protection of the Environment in the Gabonese Republic states that "It is prohibited to evacuate, discharge, or inject into surface or groundwater, near seas or watercourses, degraded waters, waste, residues, or any other product likely to harm the aquatic environment as well as all related elements and parts or to cause risks and damages both to human health and to biological and non-biological resources. However, the evacuation, discharge, or injection of degraded waters, waste, residues, or any other products may be authorized, provided that the activity considered complies with legal standards and does not harm human health or the maintenance of the biological balance of the waters." Regarding the provisions of this article, the measures taken by Hunter Mining at the Mintoum site to allow the settling of its waters before they reach nature are not reliable. This could lead to the pollution of waters close to the site. Thus, Hunter Mining could be guilty of acts that alter the quality of waters, as well as other natural resources, sanctioned by Article 150 1 of the law relating to the protection of the environment. Recommendation: Hunter Mining must widen the safety berm of the settling pond to about 2 meters. Image 5: Settling pond at the Mintoum site 1 Article 150: "Shall be punished by a fine of two million to fifty million CFA francs and imprisonment of six months to two years or one of these two penalties only, the authors of the following acts: any act having the effect of altering the quality of waters, as well as other natural resources; Non-compliance with the provisions relating to waste treatment."

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Page 17 of 39 Regarding artisanal miners Observation No. 7: Untreated waters discharged into nature During visits to the sites of communities engaged in traditional gold panning, the mission observed that the miners treat the ore (gold) directly in natural rivers. Regarding artisanal gold panning, the mining code requires, in its article 65, that it be done in compliance with hygiene, health, safety, and environmental standards. In this sense, the law on environmental protection recalls that "It is prohibited to evacuate, discharge, or inject into surface or groundwater, near seas or watercourses, degraded waters, waste, residues, or any other product likely to harm the aquatic environment as well as all related elements and parts or to cause risks and damages both to human health and to biological and non-biological resources" (art.68). It should be noted that in their activities, the miners do not carry out water control by an accredited organization after ore exploitation. They use rudimentary techniques, relying on picks and shovels to dig the soil. The ore is directly washed in the river, which could have harmful impacts on water quality, as no process is in place to purify the waters after ore treatment. Moreover, such acts, having the effect of altering the quality of waters, are punishable by Article 150 of the law relating to the protection of the environment. Recommendation: The DGE must undertake a monitoring mission of the activities of the miners to assess their impacts on the environment.

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Page 18 of 39 Image 6: Pit dug by miners for gold extraction Observation No. 8: Discharge of household waste into watercourses by miners The OI noted that communities living in gold panning camps located within the ACM permit, particularly those at the Bigne 1 site, discharge their household waste near watercourses. The environmental code provides in its article 93 that "Any natural or legal person, public or private, who produces or holds waste, is required to

manage it." This same code prohibits the discharge into the natural environment of effluents likely to harm health or to affect the quality of the environment (art. 95). In the same vein, to eliminate or reduce their effects on health, natural resources, and environmental quality, the mining law recommends the establishment, development, and control of landfills (art. 101). Indeed, there is no waste collection point in the visited camps, contrary to what is done by ACM on its exploitation sites. However, the camps are located within the ACM permit, so the responsibility for the environment across the entire permit lies with the permit holder, namely ACM.

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Page 19 of 39 Such acts constitute irregularities, punishable by Article 1482 of the law relating to the protection of the environment in the Gabonese Republic. Recommendation: ACM, in collaboration with the Ministry responsible for environmental management, should initiate a process that will allow it to assist communities in establishing a system for the collection and storage of household waste that they produce. Image 7: Presence of household waste in a watercourse and on one of its banks at Camp Bigne 1 2 Article 148: Shall be punished by a fine of one hundred thousand (100,000) to five million (5,000,000) CFA francs and imprisonment of one to three years or one of these two penalties only, the authors of the following acts: abandonment, discharge, injection, without authorization in any inappropriate place, of effluents or any other assimilated waste...

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Page 20 of 39 IV.2. Observations regarding the respect of workers' rights Regarding ACM Observation No. 9: Incomplete registration of staff with social security and health organizations Within the ACM company, the contractual relationship is formalized by an employment contract accompanied by a payslip. Indeed, Article 153 of Law No. 3/94 of November 21, 1994, relating to the Labor Code, specifies that "The payment of wages must be evidenced by a document drawn up or certified... Employers are required to provide the worker, at the time of payment, with an individual pay slip." And according to the social security code, Article 3 states that "all salaried workers as defined by the Labor Code, ... that is to say, any person, regardless of their sex and nationality, who has committed to putting their professional activity, in exchange for remuneration, under the direction and authority of another natural or legal person, public or private." Thus, by analyzing the payslips (for reference) provided by ACM, the team realized that the company regularly paid the amounts due for social contributions (CNSS and CNAMGS). However, during interviews with ACM officials, it was noted that not all staff are registered with the CNSS and CNAMGS. To justify the incomplete registration of its staff, ACM argues that most of its staff do not have adequate civil status documents, particularly birth certificates, to finalize their registration with the CNSS and CNAMGS. Although this is not an obligation for the company, it has nonetheless sought the intervention of the deputy of the department where the company is located (ABANGA-BIGNE) to help find effective solutions to the problems encountered with the registration files of certain employees. Recommendation: ACM must present the difficulties encountered in the registration process of some of its employees to all competent authorities in the city of Ndjolé (the President of the court, the Prefect, and the Mayor), while seeking their assistance in finding solutions. Observation No. 10: Non-compliance with the use of Personal Protective Equipment (PPE) by workers During site visits to ACM, the mission observed at the Bigne 2 and Mintoum sites that for all employees, the use of PPE was not complete, particularly waterproof jackets for washers, helmets for the site supervisor, and drivers. Discussions with site managers...

Page 21 of 39 Image 8: Panel reminding of the obligation to wear PPE (Bigne 1 site) Regarding the provision of PPE to staff, it was found that the company has provided PPE to its workers.

However, they report that some workers, of their own accord, decide not to wear them or even damage them. During interviews with the workers, they argued that the PPE was not provided in sufficient quantities. They also mentioned that some of the equipment distributed to them was simply not suitable and hindered their work. For example, the washers revealed that they have difficulties with their raincoat, which they find too large. It emerges from the provisions of Article 200 of the Labor Code that the employer is "obliged to ensure that workers, considering their activities, are provided with, maintain, and timely renew the individual and collective means of protection recognized as effective". Aside from the obligation on the employer regarding the provision of PPE, the Labor Code, in Article 203, requires the worker to comply with the provisions of laws and regulations concerning: "the use and maintenance of the personal protective equipment provided to them". And following the partnership between ACM and HUNTER MINING, it emerges that regarding aspects related to workers' rights and those related to hygiene, health, and the environment, ACM ensures compliance by HUNTER MINING. Recommendation: The QHSE manager must ensure strict compliance with the wearing of PPE by workers, by developing an internal manual for the use of PPE, and rigorously monitoring adherence to its various prescriptions.

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Page 22 of 39 Regarding Hunter Mining, partner company of ACM Observation No. 11: Non-compliant employee housing At the entrance of the Mintoum sites, the team observed that the company ACM has not installed a living base for its employees who often work at night. At the Mintoum site, employees are housed on-site in makeshift accommodations, consisting of tarpaulin tents. These accommodations are assigned to both national and non-national workers of HUNTER MINING who live on this mining site. It should be noted that the mission took place during the heavy rainy season, and the national employees housed at this site revealed a lack of comfort regarding the cramped conditions, the waterproofing of these accommodations, and a lack of privacy. The Labor Code states in Article 141 that when a job requires the worker to "change residence, the employer is obliged to provide sufficient housing in relation to their family situation, or to pay a compensatory housing allowance." Indeed, the accommodations assigned to employees residing on-site do not allow them to have their families with them or to have privacy, as all employees on the site share the same tents. Recommendation: HUNTER MINING should provide accommodations whose size would allow the employee to have sufficient privacy and to have their family with them, if applicable.

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Page 23 of 39 Image 9: Employee housing at the Mintoum site IV.3. Observations regarding the relationships between ACM and the communities/Gold miners Observation No. 12: A loss of earnings for ACM due to illegal gold mining In ACM's permit, the MBOUMI-EST area is currently being exploited, outside of ACM, by gold miners. Indeed, gold miners are irregularly established in ACM's permit and are exploiting without authorization from the administration. The company ACM, regularly benefiting from a mining permit for small-scale mining and paying the dues owed for the area of its permit and its activity (RMP 2017-2018: 78,321,651 FCFA, RS 2017: 10,100,000 FCFA, RS 2018: 5,050,000 FCFA), has an exclusive right to prospect, research, exploit, and freely dispose of the mineral substances for which it has been granted (Article 147 of the Mining Code). The Mining Code specifies that in the context of authorized artisanal exploitation, the holder of the authorization is required to declare the entirety of their production to the administration in charge of mines. However, in the case of the gold miners located in the ACM permit, the administration has no traceability regarding the production of these gold miners as the activity is conducted illegally. Indeed, no gold miner located in the ACM permit benefits from an EXPART card as mentioned in the SEM report and following interviews conducted with those

concerned.

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Page 24 of 39 Furthermore, it emerges from Article 319 of the mining law that the State must guarantee, to the holder of a mining title or authorization, the respect of the rights attached to their title or authorization and the inviolability of the mining title regularly attributed. However, the activity currently conducted by the gold miners, without control from the administration, constitutes a real loss of earnings for ACM, which loses resources every day. The facts stated above expose the authors to the penalties provided for in Article 325 of the Mining Code, notably a fine of five hundred thousand to twenty million CFA francs and imprisonment from one to three years or one of these two penalties. Recommendation: The administration in charge of mines should ensure that ACM fully enjoys the rights attached to its mining title by displacing all illegal gold miners. Observation No. 13: Measures taken by ACM to ease tensions with communities. Regarding the existing relationships between ACM and the communities, the responsible individuals interviewed revealed that within the company, a policy is promoted to favor the employment of nationals, particularly natives of the city of Ndjolé. This is materialized not only by the mining code but also by the letter regarding the establishment of a file processing committee dated September 17, 2018. Thus, ACM employs about a hundred national employees compared to about twenty foreigners. In the context of its partnership with HUNTER MINING, ACM ensures that its partner respects the primacy of employment for nationals, ensuring good representation of nationals at various job positions, particularly in positions of responsibility that were previously mostly occupied by foreigners (mainly Chinese). Indeed, Article 214 of the mining code states that holders of mining conventions, as well as mining subcontractors, must guarantee the primacy of employment for nationals. In terms of community development, ACM has undertaken social initiatives through the construction of a grocery store to help reduce the exorbitant prices charged for foodstuffs in the camps. It is also working to build a dispensary for the communities and its staff. The mining code, in Article 241, imposes on holders of mining titles in the exploitation phase to "contribute to social-economic and industrial development projects of the State, in order to significantly improve the living conditions of the populations and to participate in the development of local communities where mining or industrial activities are located". In accordance with the two legal prescriptions mentioned above, the mission team noted the efforts made by ACM to ease tensions with the communities. V. Difficulties encountered Access to certain camps such as Mekok Mekok, Mimbagna, Missolo..., was laborious due to the poor condition of the road, which only allowed access by motorcycle. Furthermore, the invective of the ROLBG organization on social networks against the Brainforest organization and the weak collaboration on the ground from their representative did not allow the mission team to obtain the opinion of this organization regarding the observed facts. This was really important, given the significance of the allegations made in the ROLBG report concerning a violation of the provisions of the Mining Code by the mining company Alpha Centauri Mining SA (ACM). VI. Recommendations The Independent Observer recommends the following: To the administration in charge of mines - Ensure that ACM fully enjoys the rights attached to its mining title by displacing all illegal gold miners. To the DGE - Undertake a mission to control the activities of gold miners in order to assess their impacts on the environment. To the forestry administration - Clearly frame the process of logging and valorization of wood within mining permits. To ACM - Build a storage shed for used oils at its Bigne 1 and 2, Mintoum, and Bingamgam sites; - Develop the PPF of its mining title,

in accordance with the provisions of the order n°00937/MEFEDD/SG/DGFAP of July 11, 2018;

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Page 26 of 39 - Initiate a process that will allow it to assist communities in establishing a system

for collecting and storing household waste that they produce; - Present the difficulties encountered in the registration process of some of its employees to all competent authorities of the city of Ndjolé (the President of the court, the Prefect, and the Mayor), while seeking their help to find solutions; - Ensure strict compliance with the wearing of PPE by workers, by developing an internal manual for the use of PPE, and rigorously monitoring adherence to its various prescriptions; To HUNTER MINING - Expand the safety berm of the settling basin to about 2 meters; - Provide accommodations whose size would allow the employee to have sufficient privacy and to have their family with them, if applicable. VII. Annexes Annex 1: Equipment used Category Material Number Use/role Logistics 4x4 pickup vehicle 01 Team movement PPE Pairs of boots 04 Personal protection on the activity site Helmets 04 Fluorescent vests 04 Field sheets Data collection sheets prepared 04 Collect information once on the mining site Technical GPS 03 Taking geographical coordinates Smartphone 02 Geo-referenced photo Laptop 01 SIG data processing Camera 01 Taking images Dictaphones 02 Recordings of interviews and meetings with communities and others Didactic Notebooks 03 Note-taking Pens 03 Ballpoint pens 03 Pharmacy First aid kit 01 First aid

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