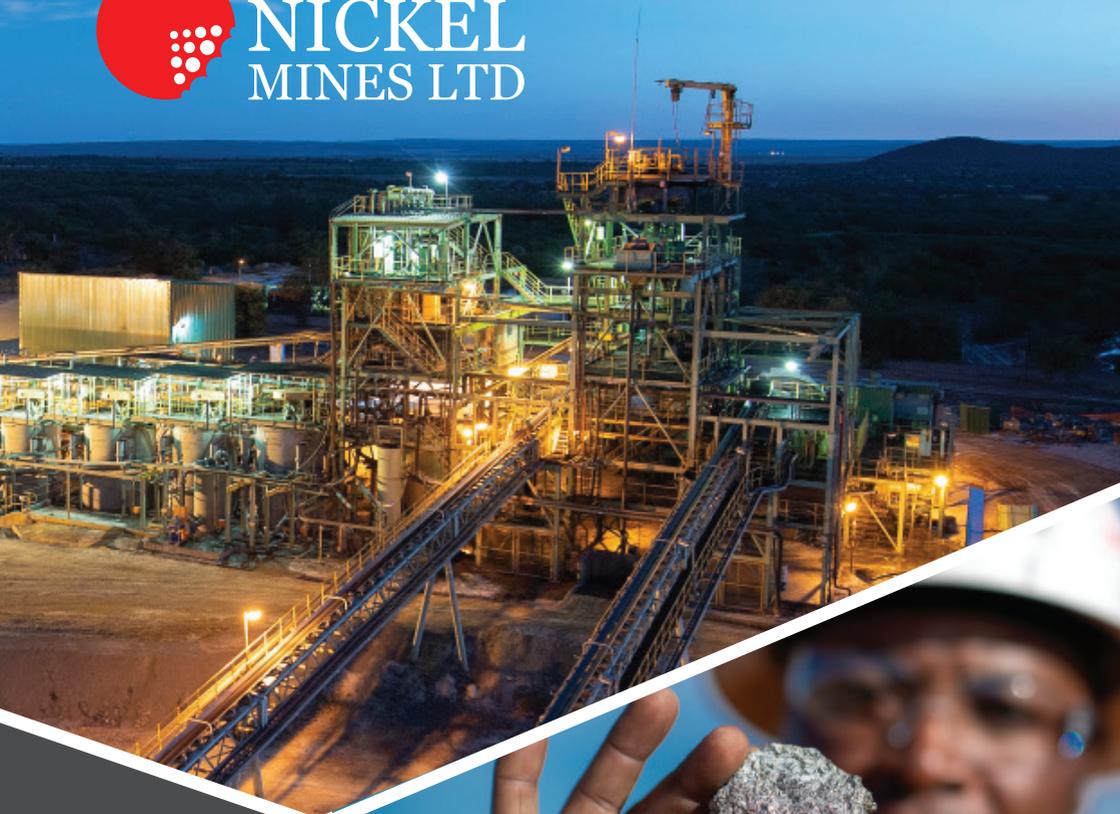




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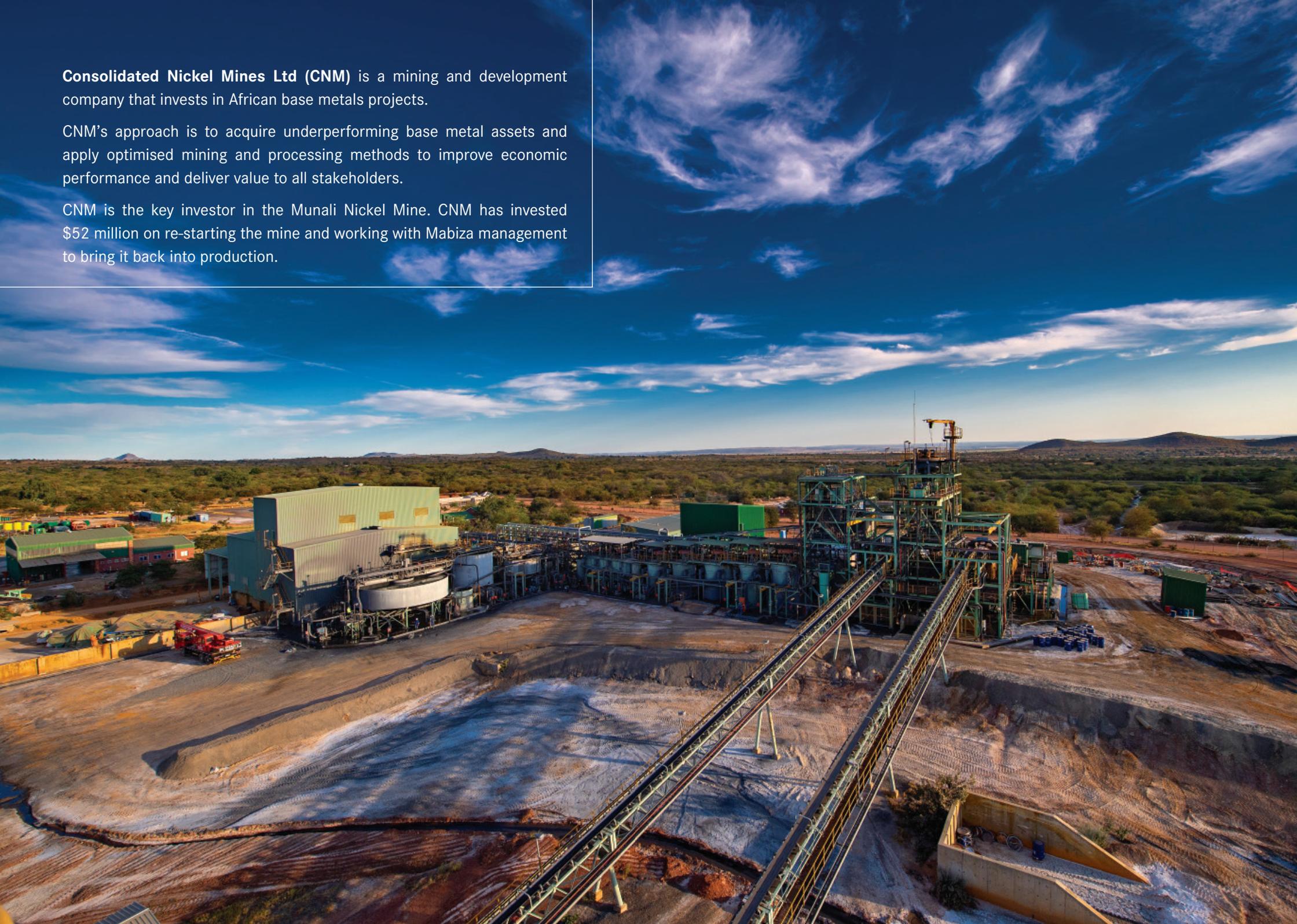
## Investing in Zambia's Nickel Industry

April 2019

**Consolidated Nickel Mines Ltd (CNM)** is a mining and development company that invests in African base metals projects.

CNM's approach is to acquire underperforming base metal assets and apply optimised mining and processing methods to improve economic performance and deliver value to all stakeholders.

CNM is the key investor in the Mualu Nickel Mine. CNM has invested \$52 million on re-starting the mine and working with Mabiza management to bring it back into production.



## Leadership Team

CNM is founded by an entrepreneurial management team with **strong operational expertise** and a unique team of geologists, engineers, metallurgists and environmental and social specialists.

The CNM Board and Management have extensive experience in the mining sector, having worked on a number of projects from exploration through project development to operational management in Africa.



**Felix Pole, Chairman**, is an experienced mining executive and co-founder of CNM. During his career, he has held a number of Board and senior management positions, including Director of Toledo Mining PLC, Chairman of European Nickel PLC, and Finance Director of Titan Resources, an Australian-listed company that developed and operated the Radio Hill Mine in Western Australia and developed the bacterial heap leaching process for nickel and copper sulphides.



**Simon Purkiss, Chief Executive Officer**, has over 25 years' experience in the mining industry. Prior to co-founding CNM, Simon was a founder and Managing Director of European Nickel PLC, which developed a heap leaching technology for nickel laterites to full bankable feasibility study levels. Simon's background includes technical, operational and corporate development roles with BHP Billiton, Billiton, Impala Platinum and junior mining companies in South Africa, the FSU and Australia. He is a Professional Engineer and holds a BSc (Hons) Minerals Engineering from Birmingham University.



**Craig Bailey, Chief Operating Officer**, has over 20 years' experience in the mining industry. Prior to joining CNM in 2013, Craig worked on a number of projects across five continents covering a range of commodities including base metals, precious metals, PGMs, uranium and rare earths. His experience includes greenfield and brownfield project development, project feasibility, process plant design, business development, project financing as well as operational management. He has a degree in Chemical Engineering from the University of Stellenbosch and is a Chartered Engineer with the Institute of Materials, Minerals and Mining in the United Kingdom.

## Social Investment

Health and safety, social development and environmental stewardship are equally as important as successful operational performance to CNM's Board and Management Team.

CNM's current investment, the Munal Nickel Mine in Zambia, has been recognised by the Zambian Government for their innovative approach to CSR by being named "the leading mining company for CSR in Zambia".



## Our CSR Objectives

- To share the benefits from the mine's presence with all in-country stakeholders and ensure that local communities are not adversely impacted by mining operations.
- To contribute to a sustainable improvement in the social and economic wellbeing of local communities.
- To explain CNM's approach and commitment to CSR to the local communities, in-country stakeholders and host government, without creating a culture of dependency.

## Our Guiding Principles

- CNM's CSR projects will focus on the area directly impacted and influenced by the mine and its ancillary operations.
- CNM will work closely with Government agencies and Ministries to ensure that its CSR projects are aligned with government priorities and receive their support.
- CNM will implement projects which primarily focus on the three social development pillars of Education (including vocational skills training), Health, and Agriculture in the local communities impacted by the mine.
- CNM's CSR initiatives will include a portfolio of projects comprising immediate projects and longer-term sustainable investments over a 1 – 10 year timescale.
- CNM will implement measures for local employment and training in accordance with requirements of its Mining Licence.
- CNM will collaborate, where possible, with development organisations with expertise in community development and skills building, to ensure that CNM projects do not duplicate existing programmes and that opportunities for co-funding or co-implementation are explored.
- CNM's CSR initiatives aim to benefit the community as a whole or a large portion of the community, rather than individual households.



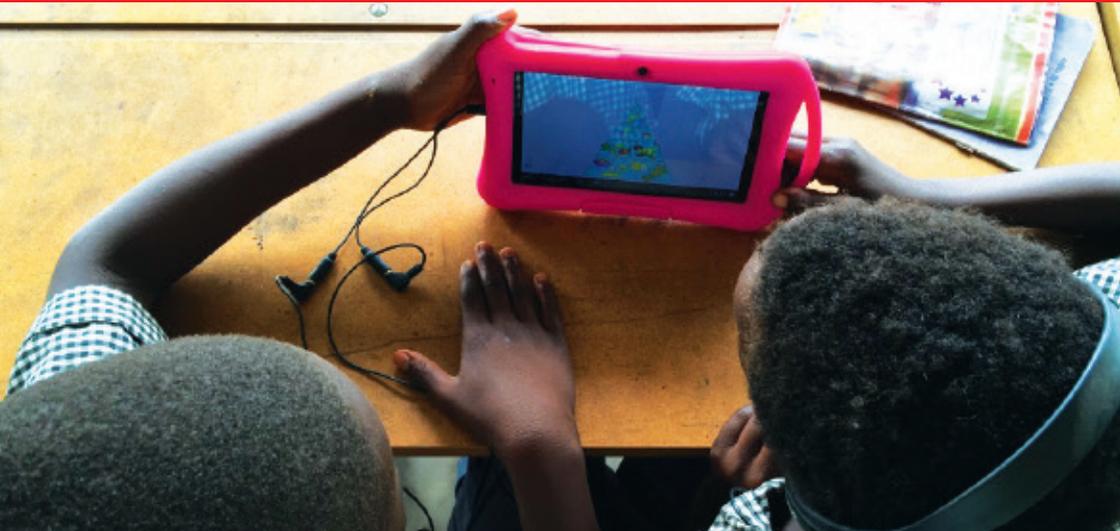
In 2015 CNM provided the seed capital to establish the Musangu Foundation. The aim of the Musangu Foundation is to create livelihoods in rural Africa in collaboration with the mining sector. The Foundation also works with mining companies to strengthen their relationships with stakeholders and local communities.

Over the last 24 months, the Foundation has focused on several grassroots livelihood creation and enhancement initiatives including:

- Trialling energy efficient cook stoves.
- Implementation of conservation farming practices.
- Delivery of educational resources to schools.
- Founder of Impact Capital Africa, providing access to finance for Zambian SMEs, with over US\$55m raised to date.
- Establishment of the 'agriculture economic zone' at the Munal Nickel Mine, in conjunction with Good Nature Agro. Plans to establish a peanut processing facility on-site coupled with a grower scheme should result in over 4,000 local livelihoods within the next three years.

These projects move away from the typical 'donor' style, and instead embed business principles, generating sustainability and longevity.

## Invest. Empower. Grow.



To learn more, contact: [emma@musangufoundation.org](mailto:emma@musangufoundation.org)  
[www.musangufoundation.org](http://www.musangufoundation.org)



Christopher Yaluma, Minister of Commerce, Trade and Industry with Impact Capital Africa organisers from Musangu Foundation.



## Advancing the UN SDGs

CNM is committed to advancing the United Nation's Sustainable Development Goals (SDGs). Here is the progress we have made so far through our activities and initiatives:



### SGD1: End Poverty

- The Munali Nickel Mine employs over 380 workers, with a 99% Zambian workforce.
- Mabiza makes transparent payments to government, Zambia is an EITI member.
- The Munali Nickel Mine gives preference for local suppliers and strengthens local supplier capacity.
- Impact Capital Africa promotes the financial inclusion of Zambia SMEs. Since 2018, over \$55.3 million of investment has been raised for Zambian SMEs.
- Focused on supporting non-mining livelihood options at a local and national level.
- Partnering with Good Nature Agro to bring alternative economic activity to the Munali area, with the introduction of a peanut processing facility. Over the next five years, GNA will work with up to 4,000 community growers to focus on peanuts and beans.
- Collaborating with Zambian private sector businesses (Good Nature Agro) and donor agencies (PEP Zambia) to leverage resources and maximise impact.



### SDG2: Zero Hunger

- Providing training for local communities on conservation agricultural. Over 150 households trained to date.
- Provision of cash crop seeds to increase resilience of farmers and improve food security in the Munal Nickel Mine area.
- Partnering with Good Nature Agro to establish a peanut processing facility at the Munal Nickel Mine, working with community growers.
- Supporting private sector companies that make affordable, nutritious food and snacks, as well as alternative protein, to access finance and local market e.g. Seba Foods, Kachema Meat, Good Nature Agro, Yelelo.



### SDG3: Good Health and Well-being

- Strong workplace health and safety and road safety standards at the Munal Nickel Mine.
- Strong workplace health promotion at the Munal Nickel Mine, including HIV prevention training and provision of condoms.
- Built a rural clinic with inpatient capacity for pediatrics, maternity, female and male patients, with 50 beds available.
- Renovated the maternity ward at the Mazabuka General Hospital.
- Implementing an In-door anti-malaria spraying programme.
- Improved access to healthcare and emergency care through the provision of an ambulance to Mazabuka General Hospital.
- Partnering with local social enterprise to deliver access to pre-natal care and provide training and basic equipment to community health workers.



### SDG4: Quality Education

- Constructed the 600 pupil Musangu comprehensive school as part of the relocation programme.
- Provided library and recourses to over 24 schools in the Munal region.
- Enable access to education with school fee and tertiary education grant scheme.
- Provided technical training for Mabiza staff at the Munal Nickel Mine.
- Implementing a vocational training scheme at Munal Nickel Mine in conjunction with schools of higher learning, including the University of Zambia and Copperbelt University in terms of industrial attachment.
- Mabiza are in the process of designing a careers programme for students in conjunction with the Musangu School.
- Provision of tablet based local curriculum, iSchool, to pupils at the Musangu School.
- Providing training for local communities on conservation agricultural, with over 150 households trained to date.



### SDG5: Gender Equality

- CNM is an equal opportunity employer.
- Equal pay for male and female employees in same role at CNM and Mabiza Resources.
- Women in leadership positions at CNM.
- 10% female workforce at the Munal Nickel Mine.



### SDG6: Clean Water and Sanitation

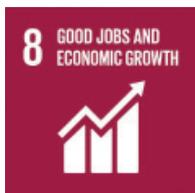
- Supporting potable water and sanitation in the local communities, with the provision of over 150 boreholes.
- Implementing a hygiene programme to prevent cattle from contaminating boreholes.
- Rehabilitation of community dams in the Munal Nickel Mine operational area.
- Regular near mine and down-stream surface and ground water monitoring at the Munal Nickel Mine.



### SDG7: Affordable and Clean Energy

- Minimal use of diesel gensets at the Munal Nickel Mine.
- Permitted to construct up to 20MW solar power plant. Currently investigating an integrated mine and commercial community user plan.
- Evaluating an energy efficient cookstove, with over 150 households taking part in the trial.
- Partnership with local household solar provider to enable affordable local community and employee purchases.





### SDG8: Decent Work and Economic Growth

- The Munali Nickel Mine provides over 380 direct jobs, with 99% Zambian employees.
- Local procurement policy favours local content, local suppliers and services.
- Equal opportunity employer.
- Training employees in a range of technical skills, thereby contributing to their professional development.
- Driving economic growth in the local communities surrounding the Munali Nickel Mine through local procurement and partnerships with non-mining livelihood options.
- Contributing to the Zambian national economic development through taxes and royalty payments to government.



### SDG9 - Infrastructure, Innovation, and Industrialization

- Improving access to alternative seed crops, which are resilient to the local climate and provide farmers with a cash crop.
- Investing in local road and water infrastructure with the Munali Nickel Mine operational area.
- Promotion of an agri-processing facility onsite at the Munali Nickel Mine.



### SDG10: Reduced Inequalities

- Paying fair local wages at the Munali Nickel Mine. A recent salary audit confirmed competitive salary and remuneration packages.
- Favouring local suppliers and service providers at the Munali Nickel Mine.



### SDG12: Responsible Consumption and Production

- The Munali Nickel Mine has a strong waste management practice, including waste separation and recycling, where possible, and back-fill of waste rock to underground.
- The Munali Nickel Mine has a Life of Mine and post-mine land use planning scenario which foresees the creation of an economic zone for agriculture and non-mining livelihoods.



### SDG13: Climate Action

- The Munali Nickel Mine has minimal use of diesel gensets onsite.
- The Munali Nickel Mine is undertaking a renewable energy R&D programme.



### SDG15: Life on Land

- Biodiversity regeneration following fencing of the Munali Nickel Mine.
- Avoiding land clearance and deforestation through design where possible.
- Forest reserve development plan in R&D pilot.
- Native tree species replanting scheme with over 1,500 trees planted during 2017- 2018.



### SDG 16: Peace, Justice, and Strong Institutions

- The Munali Nickel Mine has an on-going and meaningful stakeholder and community engagement plan in place.
- There is a formal grievance procedure at the Munali Nickel Mine.
- Mabiza Resources is maintaining local legal and regulatory standards at its operation.



### SDG 17: Partnerships for the Goals

- The Munali Nickel Mine makes transparent payments to government.
- Implementing a public private partnership at the local school and clinic near the Munali Nickel Mine.
- Supporting the Musangu Foundation and Impact Capital Africa to promote SME access to finance and growth at a local and national scale, to date facilitating investments of over \$50 million into six Zambian SMEs.
- Mabiza Resources is an active member of Zambian Chamber of Mines.
- Partnering with the UK Department for International Development (DfID) funded Private Enterprise Programme (PEP) Zambia to identify non-mine dependent economic opportunities in the Munali area.



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