



Ets. Nouria Investments

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RE: Introduction to Mining Investment in DR Congo

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To Whom It May Concern,

Please accept this letter as an introduction to the mining investment sector in the DR Congo:

1. Legal framework

The mining sector in the Democratic Republic of Congo is regulated by Law No. 18/001 of March 09, 2018 amending and supplementing Law No. 007/2002 of July 11, 2002 on the Mining Code

The Mining Code pursues the following objectives:

- Create a win-win framework for all;
- Develop and encourage infrastructure for all;
- Develop the human capital of the DRC;
- Develop local processing capacity;
- Develop the DRC as a destination for foreign capital and technology;
- Encourage the immediate development of the country and not speculation.

2. Potential in Mineral

Gold

Since the beginning of the 2010s, exploration in the gold sector has been expanding in the DRC. In 2016, industrial gold production in the DRC was 22.6 tonnes.

High-grade gold mineralization is found primarily in eastern DRC. This area contains widespread alluvial deposits as well as primary gold deposits, which are exploited by large or small-scale mines, mainly in the provinces of South Kivu, North Kivu, Ituri, Haut-Uele , Tshopo , Maniema and Tanganyika. Although large-scale mining operations produce more gold in the DRC, artisanal and small-scale gold mining has increased significantly in recent years, mainly due to rising gold prices.

Industrial exploitation, carried out by about fifteen companies, provides only part of the national production. According to various estimates, the gold panners, very numerous, would provide between 300 kg and 20 tons of gold per year.



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Cobalt

With a production of around 90,000 tons in 2018, the DRC accounts for more than half of the world's cobalt production (the other producing states are in the range of 3,000 to 8,000 tons). Cobalt is the most demanded mineral in the world, being essential in the manufacture of next-generation batteries for smartphones and electric cars. Congolese cobalt is mainly sold to China; it is the only country to have the industrial capacity to transform it into batteries.

Mutanda mine, 50% owned by Glencore, located in the province of Katanga, in the south-east of the Democratic Republic of Congo, is the largest cobalt mine in the world.

Diamonds

In 2014, the Democratic Republic of the Congo was the main producer and exporter of diamonds in the world, with 15.7 million rough diamonds in 2014. The DRC has the second largest diamond reserves in the world estimated at 150 million tons, or 20.5% of the world total.

Most of the diamond mines in the Democratic Republic of the Congo are located in the provinces of Kasai, Kasai Central, Lomami and Sankuru. These mines are operated by two major companies: the Minière de Bakwanga , of which the state is the majority shareholder, and the Sino-Congolese Company Sacim . The first is bankrupt in 2020, while the second is growing strongly.

Lithium

The Democratic Republic of Congo has the seventh largest lithium reserves in the world (in a ranking dominated by South American countries) with resources estimated at nearly three million tons. Like cobalt, lithium is an essential component of batteries and vehicles, computers and mobile phones.

Coltan

Coltan is found in large quantities in the Democratic Republic of Congo in the Kivu region which holds between 60 and 80% of the world's reserves . According to data from the Chamber of Mines, the DR Congo produced 869 tons of coltan in 2016 , down 12% compared to 2015 (992 tons).

The copper

The DRC has significant copper deposits, mostly concentrated in the province of Katanga. The Kamao Copper Mine Project , is touted as one of the largest sources of copper in the world. In



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May 2015, the Chinese group Zijin Mining concluded an agreement with the Canadian Ivanhoe Mines to acquire a 49.5% stake in Kamo Holding, the company which owns 95% of the Kamo copper project . The amount of the transaction is \$412 million.

In December 2018, the Chinese group Zhejiang Huayou Cobalt announced an investment of \$147 million in the copper sector in the DRC.

3. Investment in the mining sector

The analysis of data from the Mining Cadastre (CAMI) shows that only 11% of the national territory is covered by mining activities with 3,053 (three thousand fifty-three) various permits granted.

And so most of it remains to be discovered through extensive geological and mining research. In accordance with the stable and attractive mining law, and seen from the geostrategic position of the DRC in the center of Africa, with a cheap and abundant workforce, the investment opportunities in the DRC are numerous such as the search for new mining deposits, investment in on-site processing of mining products and investment in basic infrastructure

Two possibilities are possible to invest in the mining sector in the DRC, namely:

- Partnership with public companies or other private companies that already have mining concessions;
- Apply for mining titles from the Mining Cadastre in accordance with the following conditions and procedure:
 - Obtaining the Research or Exploration Permit
 - Obtaining the operating permit,

This document is developed as a simple introduction to mining investment in DR Congo, please make us your proposal on the type of minerals you are interested in finally so that we can provide you with in-depth details in relation to access to mining areas, type of investment required and the procedure to follow from exploitation to export to foreign countries.

We are looking forward to hearing from you,

Kind Regards