



# Eramet in Cameroon

## Akonolinga Exploration Project

Press pack - March 2020



# Eramet searches for mineral sands in Cameroon

In November 2019, at the end of a bidding process launched in September 2018, the Cameroonian Ministry of Mines, Industry and Technological Development awarded the Eramet Group with exploration permits for the rutile block in Akonolinga, located nearly 135 km from Yaoundé.

The three-year permits will allow Eramet personnel to conduct the fieldwork and feasibility studies needed to obtain a mining agreement. The permit areas, located in the Center region of Cameroon, have previously been the subject of preliminary exploration campaigns, which identified a strong potential for rutile, a titanium mineral sand used essentially in the production of pigments.

This project would help diversify the Group's product portfolio on the rutile market, a particularly attractive sector, and would bolster the mineral sands concerns currently operating in Senegal. This development is fully in line with Eramet's strategy to develop a diversified portfolio of assets by exploring for strategic metals in new countries.

Eramet's arrival in Cameroon will strengthen its footprint in Africa, in a region where it already has strong roots through its operations in Gabon and Senegal. In addition to the Akonolinga project, and in order to cultivate a long-term partnership with the Cameroonian government, Eramet hopes to identify other opportunities in the country for metals already exploited by the Group, particularly nickel and cobalt.

Our development strategy for all of Eramet's subsidiaries is to establish strong, lasting ties in our host countries, built on partnerships with all of our stakeholders. A responsible, committed company that knows how to give back, Eramet develops its projects according to the best international standards for the environment, ethics, and social welfare. The Group has embarked upon a socially responsible, continual improvement process, in order to make Corporate Social Responsibility its core concern.



# 01. Who is Eramet?

Eramet is a French mining and metallurgy group that employs 13,000 people in 20 countries around the world. It is a global leader in several of its industries, and generated revenues of more than 2,400 billion CFA francs in 2019.

A key player in the extraction and recovery of metals, Eramet is the world's second largest producer of manganese ore and alloys through Comilog, its subsidiary in Gabon. With its deposits in New Caledonia and Indonesia, it is the world's top producer of high-grade ferronickel.

The group is also involved in the development and processing of high added-value alloys (high-speed steels, high-performance steels, superalloys, aluminum alloys, and titanium).

**The Group supports the energy transition by developing activities with high growth potential, including recycling and the extraction and refining of lithium.**

It is the preferred partner for a range of industries: steel, stainless steel, aerospace, pigment manufacturing, energy production, along with developers of new generations of batteries.

Eramet has embarked upon a socially responsible, continual improvement process, in order to make Corporate Social Responsibility (CSR) its core concern. Our development strategy is to establish strong, lasting ties in our host countries, built on partnerships with all of our stakeholders.

Eramet develops its projects according to the best international standards for the environment, ethics, and social welfare. Complying with these standards ensures that local and national concerns are taken into account, and that a consistent, ethical approach is adopted over the long term.



# 02. Eramet's CSR ambitions

## Eramet, a socially responsible company in action

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Eramet is taking action to protect the world around it. But our ambitions extend even further: we want to have a positive impact on local populations and local areas.

### A conscious citizen of the world

The world around us is in the midst of a transformation and has no choice other than to take up the challenge of the energy transition. This situation is at the very heart of the major strategic reflection that now steers our efforts. **Our goal** is to interweave performance with responsibility. This is the guiding force behind our investments in energy transition metals, which are set to play a key role in energy storage.

This strategic choice also means adopting a different perspective on all of our activities, **transitioning from merely following the rules to taking a proactive approach**. The objective isn't just to be a profitable company, but a partner that is universally reliable and positively contributes to the well-being of local communities, its immediate surroundings and the planet.

### A concrete action plan

To convert these objectives into actions, in 2018 we drew up a highly ambitious societal commitment agenda. Acting as the link between our CSR priorities and our strategic orientations, this CSR roadmap consists of three core areas and 13 objectives paired with measurable targets, to be met by 2023. At each of our sites, we're taking action now to:

- Commit to our people, including on health, safety, dialog and quality of life. Our activities must facilitate the growth of both our employees and the local communities.
- **Positively contribute to the planet: at our 50 sites around the world, we're taking action to cut our air emissions.** At the same time, we're working to restore our mining sites by fostering respect for biodiversity.
- **Act in an economically responsible manner: compliance, ethics, responsible management, development of energy transition metals, the circular economy.**

# Eramet is taking action through an ambitious CSR roadmap

Our mining and metallurgy business compels us to act. Making ethics, responsibility and sustainable development the core component of our operations is the most effective way to achieve our goal of sustainable performance.

## Corporate Social Responsibility: sights on 2023

A commitment only has meaning if it leads to concrete action. To ensure optimal effectiveness, we've developed a roadmap that sets specific goals to be achieved by all our teams by 2023. This working plan is a framework for our contribution to the United Nations Sustainable Development Goals (SDGs).

In total, there are: 13 priorities broken down into three core strategic areas, whose frontline implementation is facilitated by our CSR Committee.



## Making a commitment to people

- 1. Ensure the Health and Safety of employees and subcontractors**
  - > Zero deaths
  - > Halve the accident frequency rate (TF2) so that it is less than 4
- 2. Enhance skills, promote talent and career development**
  - > 100% of employees receive training during the year
- 3. Strengthen employee engagement**
  - > Group engagement rate > 75%
- 4. Incorporate and foster diversity as a valuable contribution**
  - > 30% of managers are female
- 5. Be a valued partner that gives back to our host communities**
  - > 100% of sites have established a mechanism for dialog with their local stakeholders
  - > 100% of sites are implementing an investment program that contributes to local development, with a focus on youth initiatives



## Local populations during the first exploration phase of the Akonolinga Project:

- In the specifications signed with the Ministry of Mines, Eramet agreed to train at least 10 Cameroonian students a year throughout the exploration period. Students from Akonolinga will be given priority for this training program (geology, the environment, social welfare).
- All local hires will receive training on Eramet's safety standards and must follow all safety rules when performing their daily tasks.



## Being a responsible economic actor

- 6. Be a top player in energy transition metals**
  - > Work has begun to diversify Eramet's business portfolio along the supply chain for electric mobility batteries
- 7. Actively contribute to growing the circular economy**
  - > **2 Mt** of residue and low-grade waste ore recovered over the 2019-2023 period through innovative actions
  - > **10 Kt of waste recovered** instead of going to landfill over the 2019-2023 period through innovative actions
- 8. Be a benchmark for human rights in our sector of business**
  - > Mature level according to the UNGP Reporting Framework (Shift-Mazars)
- 9. Be a preferred ethical partner**
  - > **100%** of the sales and purchasing teams trained in anticorruption every year
- 10. Be an exemplary, responsible company in the mining and metallurgy industry**
  - > **100%** of the Group's assessed suppliers and customers comply with Eramet's CSR/ethics commitments.



## Making a firm commitment to the planet

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**11. Cut our air emissions**

> -80% fewer tons of channeled dust emitted in 2023 versus 2018

**12. Protect water resources and accelerate the restoration of our mining sites by fostering biodiversity**

> Ratio of restored surface area to cleared surface area  $\geq 1$  over the 2019-2023 period

**13. Reduce our energy and climate footprint**



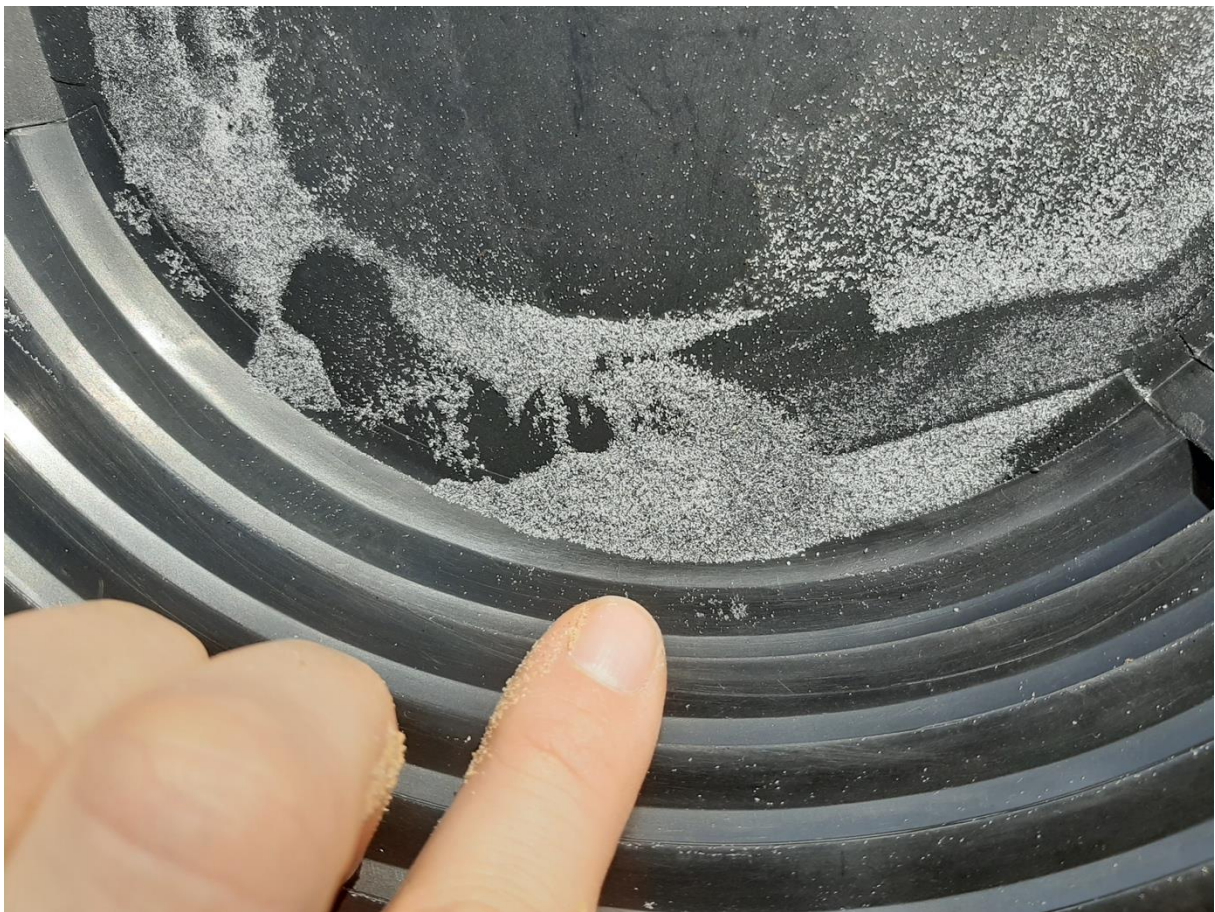


# Launching the Akonolinga Project

## A few words on rutile

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Rutile is a mineral sand used in the production of pigments, paints, and aircraft cockpits. With an estimated potential of nearly three million tons, Cameroon has the world's second-largest supply of rutile (after Sierra Leone), including 500,000 tons in Akonolinga, a town located in the country's Center Region.



*A few grams of rutile in Akonolinga*

## Creating Eramet Cameroun

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Eramet Cameroun (Eracam) was created in December 2019. Five permits have been granted to it, encompassing three administrative areas of Cameroon (the Center, South, and East Regions) and five departments. They cover a total surface area of 2,500 sq. km, with a prospective 160 km along the Nyong River. The permit areas extend over eight districts, including seven with direct access to the river.



## Eramet partners

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### BEIG 3



Eramet has chosen the Cameroonian company BEIG 3, known for its expertise in geo-services, to assist with its exploration work. BEIG 3 will provide technical supervision, logistics, and transportation services.

### Eijkelkamp

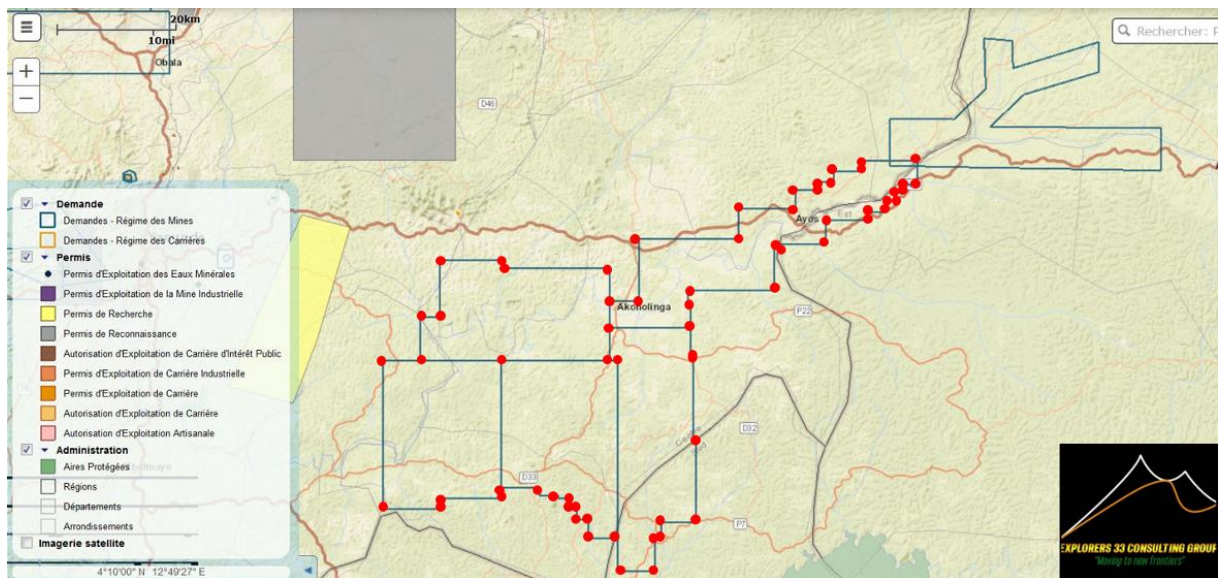


The Dutch company Eijkelkamp will be providing its sonic sampling techniques to assist with our drilling work. Eijkelkamp works in accordance with European safety and environmental standards.

During the first exploration phase in Q1 2020, the teams from Eramet, BEIG 3, and Eijkelkamp will total around 10 to 12 people.

## Boundary marking: December 2019–February 2020

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Eracam has agreed to handle the boundary marking. Work began in early January with the preparation of 78 boundary markers to mark out the five permit areas. Installation of these markers began on Monday, January 20 in the Akonolinga department, and was completed in early February.

## Exploration work

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### Launching exploration work

In February 2020, Fuh Calistus Gentry, Secretary of State to the Ministry of Mines, Industry, and Technological Development, visited Akonolinga for the official launch of the exploration phase near the village of Sombo. He was accompanied by Philippe Gundermann, Executive Vice President, Strategy & Innovation at Eramet.

Exploration work is being conducted along the Nyong River, with reconnaissance work being performed every 10 kilometers, and sampling lines set up every 500 meters. The purpose of this work is to determine the thickness of the mineral sands and to characterize their rutile content.

The samples taken were first sent to Yaoundé. The French company Fondasol, which specializes in geotechnical services, is preparing the samples (through particle size separation).

Around 60 surveys have already been performed, and the first batch of samples (around 100) is en route to the Scientific Services lab in Cape Town, South Africa. Some of the samples will also be sent to Eramet's Innovation Research Center in France, for more advanced characterizations.



*Fuh Calistus and Philippe Gundermann in the rutile exploration area*

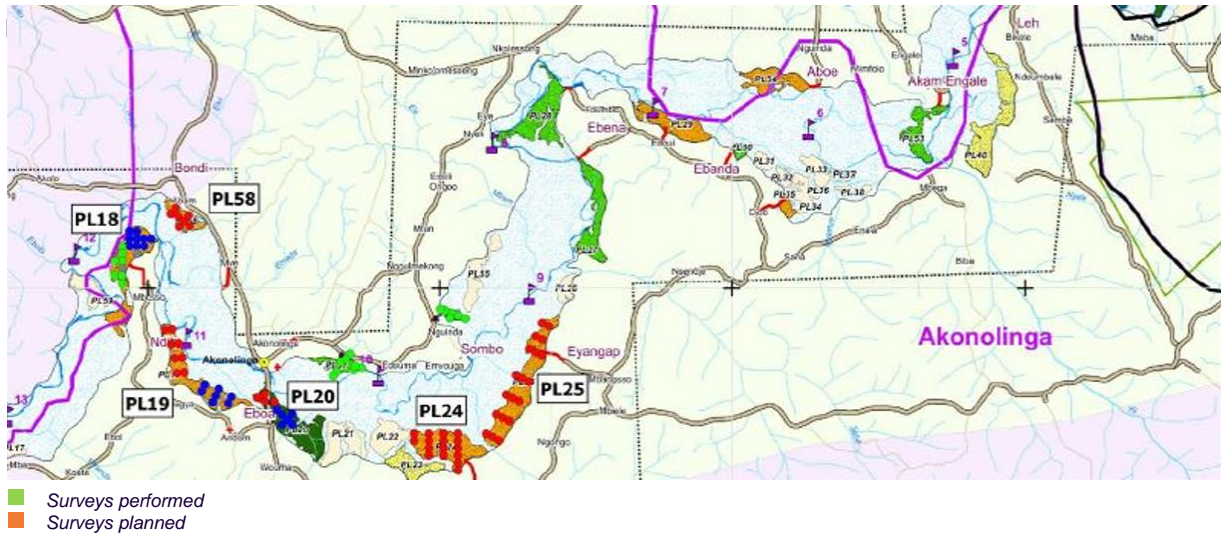
## **Scheduling exploration work**

This work is part of Phase 1, “Nyong Exploration”, as indicated in the specifications signed with the government.

### **The Nyong exploration project, step by step:**

- > Boundary marking of permit areas;
- > Physical geography report indicating the location of access points and the work area;
- > Nyong River reconnaissance program (surveys and analyses);
- > Review, analysis, and digitization of historical data potentially applicable to the project;
- > Preliminary mining study with long-term planning;
- > Preliminary study of the treatment process;
- > Preliminary infrastructure and logistics analysis;
- > Preliminary assessment of the costs and business plan;
- > Recommendations for the following study phases, and prospection work for the start of preliminary feasibility studies.





## Complying with environmental and social standards

“The compact drilling machine is a latest-generation technological marvel that allows us to adhere to environmental standards,” says Philippe Gundermann. In order for the machine to be able to reach the terraces in the riverbed and its tributaries, accessways need to be cleared out. Clearing out these paths may require the removal of cocoa plants and fruit trees. That is why it was particularly important to choose the right machine, in order to minimize its impact. Its compact size (2.50 meters tall, 3.50 meters long, and 1 meter wide) allows it to pass underneath the plant cover.

### Compensating local communities



A project tracking committee has been established, with the following members:

- > The prefect and sub-prefect
- > Ministerial delegates
- > The Gendarmerie Brigade
- > Village chiefs
- > And representatives from the neighboring communities

Its role is to supervise the exploration work. A procedure has been set up to compensate the owners of cocoa trees and market gardens:

- > Routes for the pathways are presented to the local committee
- > A list of plants selected for removal is drawn up in front of committee members, the village chief, the owner(s) of the parcels concerned, and representatives from Eramet Cameroun and BEIG 3
- > The plots are removed.
- > Compensation is paid against a receipt according to the current price schedule in Cameroon (Decree of February 25, 2003)

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