

Public Information Summary
TechMet Limited

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| Host Country(ies) | Brazil/Upper Middle Income |
| Name of Investment Party | TechMet Limited , a private company organized under the laws of Ireland (“TechMet”) |
| Project Description | DFC will make a \$25 million investment (the “ DFC Investment ”) for the purchase of 13,960 ordinary shares of TechMet. TechMet is an investment platform that holds interests in companies that mine and process various metals critical to technology applications including energy, transportation, and defense. It currently holds equity positions in several technology metal assets. The DFC Investment will contribute a portion of TechMet’s \$80 million second round capital raise (“ Round 2 Raise ”). TechMet will use the DFC Investment proceeds solely for a downstream investment in its Brazilian Nickel subsidiary to support the development and operation of an open pit nickel and cobalt mine in northeastern Brazil (“the Project ”). |
| Proposed DFC Investment | \$25 million. |
| All-Source Funding Total | \$80 million |
| Policy Review | |
| Developmental Objectives | This Project is expected to have a highly developmental impact through an investment in the development a nickel and cobalt mine in Northeastern Brazil. Due to the COVID-19 pandemic, the IMF estimates that the economy of Brazil is expected to contract by 9.1 percent in 2020, with a slow recovery expected in 2021. The Project, located in one of the least developed portions of the country, will lead to significant impacts through local income, taxes and fees to both the local and federal government, and significant initial and on-going local procurement. The Project Company expects to be an important source of formal employment in the local economy in rural Piauí state, including hundreds of new permanent and construction jobs. With newer technology and improved design, the project’s heap leaching mining process will provide demonstration effects in the country for the mining of nickel and cobalt while expecting to use other natural resources less intensively, including fresh water. At the national level, the Project will increase nickel and cobalt exports, supporting foreign exchange earnings and helping to support a stressed trade balance. |
| Environment and Social Assessment | Screening: The Project has been reviewed against DFC’s categorical prohibitions and determined to be categorically eligible. The Project is |

screened as Category A because it involves construction of an open pit mine.

This Project has been reviewed against findings in the 2019 State Department Human Rights Report for Brazil. Risks relevant to construction projects included forced labor and unsafe conditions.

Applicable Standards: DFC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards (PS):

PS 1: Assessment and Management of Environmental and Social Risks and Impacts;

PS 2: Labor and Working Conditions;

PS 3: Resource Efficiency and Pollution Prevention;

PS 4: Community Health, Safety and Security; and

In addition to the above standards, the Project will also be required to comply with:

- The IFC's Environmental, Health, and Safety (EHS) General Guidelines (April 30, 2007);
- The IFC's EHS Guidelines for Electric Power Transmission and Distribution (April 30, 2007); and
- The IFC/EBRD Workers' Accommodation: Processes and Standards (2009)

A desk-review based due diligence assessment indicates that because the Project involves a small-scale expansion of an existing Demonstration Plant located at the Project site, significant adverse impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples, and cultural heritage are not anticipated. All land and rights required for the mine were acquired on a willing seller – willing buyer basis and no physical resettlement is required to execute the Project. No habitats of significant biodiversity value or cultural heritage are found on the site, and the Project will not adversely impact Indigenous Peoples. Therefore, PS 5, 6, 7, and 8 are not triggered by the Project at this time.

Key Environmental and Social Issues and Mitigation: Primary environmental and social issues of concern include water quality and availability; management of hazardous materials; community nuisance impacts such as noise, dust, and traffic; occupational health and safety (OHS); and waste management.

Water Quality and Availability: There are two existing boreholes that serve the existing Demonstration Plant. The Project will require an additional borehole to supply the water needs during operations. The Project contracted a hydrogeology consulting company to study the local hydrogeology and existing users to determine the best location for the additional borehole. This study confirmed that a nearby aquifer was suitable to supply the Project's water demands.

As part of the study, the company identified the target area and the most probable location for the additional borehole. The estimated pipeline length from the new borehole would be 3.9 km, which would mainly follow an existing road. The exact location of the borehole will be selected based on hydrogeological considerations, and avoidance of impacts on local biodiversity from the well or pipeline, or on the groundwater resources of any existing users in the area. After the geophysical study and finalization of the borehole location, the Project will drill a pilot borehole and carry out pumping tests on existing boreholes within the target area to confirm the aquifer capacity.

Hazardous Materials: The Project will enact detailed logistics plans and delivery schedules with each material supplier to guarantee the continuity of operations. All transportation will be done via existing state and national roads which are noted to be well maintained and in good condition. Potentially hazardous materials will be stored in dedicated areas with adequate cover and restricted access. The Project will develop a Sulfuric Acid Transport Management Plan that will have emergency response procedures for events during truck loading, transit, and offloading.

Noise: Management of potential impacts from noise and vibration will include preventative and corrective maintenance of vehicles, machines, and equipment used during the construction and operation of the Project; vehicle traffic management (see below); restricting mining activities to daytime only; and minimizing disturbance to the surrounding communities by optimizing the timing of the transportation and delivery of raw materials.

Dust: Management of air quality will be improved by the Project by using water sprinkling on unpaved roads in the Project area; control of vehicle speed and fleet management (to reduce dust generation and also reduce the risk of traffic accidents); covering trucks transporting materials such as sand and cement; and replanting vegetation cover over exposed areas.

Traffic: The Traffic Management Program will ensure optimized vehicle movement (including third parties and service providers) aiming to reduce noise, vibration, dust, and risks of accidents for the Project and surrounding communities, which will also reduce pressure on the roads' structural conditions. Drivers and staff (including third parties) will be trained for safe driving, to strictly follow procedures and restrictions (speed, communication, driving hours etc.), and also to register near misses and accidents. A Vehicle Tracking and Speed Monitoring System will be used to assist traffic control and to support prevention and investigation of incidents. The Project will communicate with the effected communities in a timely manner to disclose the internal traffic procedures and Project's development, and to motivate them to use the External Grievance Mechanism to report nonconformities and also to suggest actions to continuously improve safety. The Proeject will maintain communication with the local municipality to promote maintenance and signaling of used roads to ensure safe conditions to users.

Occupatinoal Health and Safety: BRN has developed a Safety Policy that commits it to the highest standards of health and safety performance and to the protection of workers, the general public, and local communities. The Safety Policy includes commitments to adhere to all local laws and regulations, preserve and protect the health and safety of all persons potentially impacted by the Project, including workers, (employees and contractors) suppliers, or other visitors to the Project site or members of the public; avoid injury to workers and members of the public; and avoid loss or damage to social and community assets.

Waste Management: The overburden material and waste rock will be trucked to a permanent storage area less than 200 meters from the mining area. The Project's waste rock has been classified as Non-Acid Generating rocks (NAG). The waste rock storage area will be designed and built to avoid interferences with natural drainage systems, to properly manage rainwater, and to prevent the release of fine particles into groundwater. Topsoil will be stored adjacent to future ore stockpiles and reused in the Project's Environmental Restoration Program.