



Eurasian Resources Group

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MEDIA RELEASE

Eurasian Resources Group joins with leading businesses and international organisations to launch the Global Battery Alliance

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At the inaugural World Economic Forum (“the Forum”) Sustainable Development Impact Summit in New York City, representatives from international businesses and organisations including Eurasian Resources Group (“ERG” or “the Group”), a leading diversified natural resources producer, officially launched the Global Battery Alliance (“the Alliance”). The Alliance is dedicated to ensuring that there is an ethical and sustainable global supply chain for the lithium-ion batteries that help power the Fourth Industrial Revolution and a low carbon economy, through electric vehicles, renewable energy technologies and smartphones. The Alliance is a public-private collaboration comprising stakeholders from across the supply chain including ERG, BASF, Enel, Volkswagen and other major businesses; international organisations such as UNICEF, OECD and African Development Bank; and NGOs including PACT.

Lithium-ion batteries are a critical power storage solution for high-end electric vehicles and electronic devices. With these sectors growing rapidly, the lithium-ion battery sector is

experiencing double-digit annual growth rates. Cobalt is one of the main components of these batteries and its price has almost doubled in the last 12 months because of the increased demand for batteries. However, whilst cobalt is at the heart of this growth story, it has an opaque supply chain that sometimes results in end products containing unethically mined material. The supply of cobalt from artisanal mining operations in the Democratic Republic of the Congo (DRC), where child labour remains prevalent, is a particular area of concern, especially since the DRC is home to more than 60% of the world's cobalt.

ERG is one of the world's largest cobalt suppliers. In the DRC, it operates large industrialised complexes which produce cobalt free of child labour. The Group is committed to put an end to child labour in the world's cobalt supply and is determined to play a leading role in the Alliance to secure this objective. It is investing significantly to support the development of certification schemes as well as promoting alternative livelihoods, an approach proven to be effective in reducing child labour in artisanal mining communities. ERG's investments include funding and staffing of schools in the country. ERG is now supporting the education of around 9,000 children. The Group has also partnered with the Good Shepherd Sisters Foundation in their campaign to eradicate violence and abuse against women and children in artisanal communities.

"We want to ensure that everyone benefits from the growing demand for alternative energy. It is vital that future energy supplies include ethically sourced storage solutions," said *Benedikt Sobotka, CEO of Eurasian Resources Group*, a leading natural resources producer and a major cobalt miner that has industrial scale operations in the Democratic Republic of the Congo and is developing the Metalkol RTR project in the country.

"Unfortunately, there is almost a 100% chance that your smartphone or electric vehicle contains cobalt that comes from child workers in artisanal mines. Although creating new ethical energy sources will help, we all need to do whatever we can to put an end to child labour. The Alliance has a critical role to play in achieving this objective."

By the end of 2018, Metalkol RTR will start bringing 14 000 tonnes of ethical cobalt to the market annually, which will be enough to build up to 1.5 mln high-end electric vehicles. "We will ensure that no children have been involved in the production of cobalt at RTR," added Mr Sobotka.

Dominic Waughray, Head of Public-Private Partnerships at the World Economic Forum, said that the human toll is dire; and both valuable raw materials and a billion-dollar business opportunity are going to waste.

"The phones may be smart, but the system is certainly not sustainable. All the electronic waste we discarded in 2014 was worth \$52 billion. It contained 300 tonnes of gold and significant amounts of silver and palladium. To get these rare minerals and metals so that all our phone, car and toothbrush batteries work smartly, many poor people are paying a terrible cost, as is the environment. We keep a smartphone or tablet on average for just 26 months and then we throw it away, battery and all."

"The Global Battery Alliance seeks to fix this, with companies, NGOs and international organizations coming together to clean up supply chains and re-use battery waste. The World Economic Forum, as the international organization for public-private cooperation, is pleased to lend its platforms and networks to help advance this important project."

Dr Alexander Machkevitch, Chairman of Board of Directors, Eurasian Resources Group, said: "Mobilising a Global Battery Alliance was recognised as one of the Forum's top 10 achievements at this year's Annual Meeting in Davos, and now, within a short time after that meeting, we are delighted to see that the Alliance is moving from concept to reality. However, this is only the beginning of the combined efforts of all parties involved. We look forward to working with the businesses and organisations that are already part of the Alliance and encouraging others to join our campaign to contribute to an ethically powered future."

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About Eurasian Resources Group:

Eurasian Resources Group (ERG) is a leading diversified natural resources producer with integrated mining, processing, energy, logistics and marketing operations. It has a portfolio of production assets and development projects in 14 countries crossing four continents, and is represented by more than 80,000 people globally, being a major employer in the industry.

Today ERG is the world's largest ferrochrome producer on a chrome content basis and a key supplier of iron ore. The Group is also among the global top-10 alumina producers and a principal copper and cobalt manufacturer.

In the Republic of Kazakhstan ERG represents about one third of the country's metals & mining industry. It is also a key power supplier and a large railway operator in Central Asia. Kazchrome, SSGPO, Aluminium of Kazakhstan, Kazakhstan Aluminium Smelter (KAS), Eurasian Energy Corporation (EEC), ShubarkolKomir and Transportation Group TransCom LLP are among the Group's major assets located in Kazakhstan.

In the Democratic Republic of Congo ERG mines copper and cobalt and processes the ore at Boss Mining, Frontier and Comide. Some other key development and near-production assets, including the Metalkol Roan Tailings Reclamation (RTR) Project, are also located in the DRC.

ERG's smelter, Chambishi Metals PLC, is a major enterprise in Zambia and a large producer of copper and cobalt metal. The Company also has a number of development projects in coal, manganese, platinum, bauxite and fluorspar across the African continent, embracing the Republic of South Africa, Zimbabwe, Mali and Mozambique.

In Brazil ERG continues development of Pedra de Ferro project, a 20mtpa iron ore production complex.