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MEDIA RELEASE

ERG commences the construction of FIOL 1 Railway in Bahia, capable of transporting 60 mln tons of cargo annually; receives endorsement from the President of Brazil

- *China's CREC 10 railway construction company will take part in building the railway.*
- *FIOL 1 will extend over 537 kilometers in total, passing through 19 municipalities, with the first stretch measuring 127 kilometers.*
- *Approximately 1,200 jobs are set to be created during the construction period over the next 36 months.*

The commencement of the construction phase was celebrated at a dedicated ceremony in Ilhéus on Monday, 3 July. The Group's delegation was led by CEO of ERG, Benedikt Sobotka; CEO of BAMIN, Eduardo Ledsham; and Chairman of BAMIN, Erik Gaustad. The ceremony in Ilhéus was attended by the President of Brazil, Lula da Silva; the Governor of the State of Bahia, Jerônimo Rodrigues; the Chief of Staff of the Presidency and former Governor of the State of Bahia, Rui Costa dos Santos; the country's senators, ministers, secretaries of the Bahian government; councilors from the south of Bahia; and ERG's international partners.

All parties at the event recognised the importance of FIOL 1, one of Brazil's largest infrastructure projects, and celebrated the commencement of the construction works for the first stretch of the railway. At the ceremony, the company signed MoUs with China's CREC 10 railway construction company and Sinosteel for future cooperation on global opportunities, including in Brazil.

CREC 10 is already an important business partner for ERG in Brazil, as a member of the TCR-10 consortium, which also includes Brazilian construction company TIISA. The consortium was recently awarded a R\$ 1.1bn construction contract for the first stage of the FIOL railway and will be responsible for executing construction services and building infrastructure and railroad superstructure. Approximately 1,200 jobs are expected to be created across the lifecycle of the Lot 1F construction phase.

The construction of FIOL 1 will boost growth in multiple sectors and foster socio-economic development in the municipalities through which it passes. Lot 1F will cover a stretch of 127 kilometers, crossing the states of Ilhéus, Uruçuca, Ubaitaba, Gongogi, Itagibá, Aurelino Leal, and Aiquara. Construction works on Lot 1F are expected to take approximately 36 months. FIOL 1 will serve as a key logistics network within BAMIN, ERG's integrated project, which also includes the Pedra de Ferro high-grade iron ore mine, in operation in the city of Caetité, and the deep-water terminal in Porto Sul, under construction on the coast of Ilhéus. The total investment of the three projects amounts to R\$ 20 bn.

Lula da Silva, President of Brazil, said: “A country the size of Brazil needs to have a railway system to transport its wealth and for that, it needs to commit to credibility and expertise. It is in the interest of national sovereignty to make the country increasingly competitive. We are going to restart this railroad and finish it in 2026. I want to thank the entrepreneurs for their trust, and for their willingness to carry out the FIOLE 1 project. If Bahia succeeds, so will Brazil.”

Jerônimo Rodrigues, Governor of Bahia State, said: “Nothing is more symbolic than a railroad, with locomotives and wagons hitched to each other, representing the outstanding trainset that will carry the development across Bahia and the country. What we are witnessing today, is the resumption of growth in Bahia State, and the railroad is an important part of that.”

Benedikt Sobotka, CEO of ERG, said: “Eurasian Resources Group is proud to have officially started works on the FIOLE 1 West-East Integration Railway, one of Brazil’s largest infrastructure projects. By acting as a key export and logistics corridor, the railroad will significantly boost socioeconomic development in the wider region, and its construction is therefore a key milestone for both the Bahia state and country as a whole. We look forward to working with local stakeholders and our other partners to deliver this major project, which will create approximately 1,200 jobs during the construction phase and forms part of our long-term commitment in Brazil. ERG already holds the position of the largest transport operator in Central Asia and owns the SABOT logistics company in Southern and Central Africa, and I am confident that the expertise of the team at BAMIN combined with our extensive railroad experience will make the project a great success.”

Li Haifeng, General Manager of CREC 10, said: “As a Chinese state-owned enterprise, our company strives to support the construction of FIOLE to a high standard and ensure both sustainability and benefits for local communities, showcasing the Chinese quality. Through this project, we are successfully contributing to the 'One Belt, One Road' Initiative.”

FIOLE 1 will be capable of handling 60 million tons of cargo per year. BAMIN will utilise 40% of this capacity for transporting the ore extracted from ERG’s Pedra de Ferro mine, while the remaining volume will be available for the flow of production from other companies, including from various industrial sectors within the state and agribusiness.

“FIOLE 1 is a reality with great economic development potential for Bahia. Many important projects are waiting for the required infrastructure to meet market demands and increase their bottom line. This will be possible because we are building, here in Bahia, the most efficient and sustainable logistics solutions. Above all, we will deliver a corridor of opportunities to leverage the economy of the municipalities and the quality of life of the populations within Bahia”, says **Eduardo Ledsham, CEO at BAMIN**.

“When the railroad and port are completed, in 2027, this corridor will drive economic development for several productive sectors, positively impacting the communities. Bahia will have an emerging key position in the domestic economy because the project is committed to creating opportunities for regional producers and boosting the production chains along the FIOLE 1 route,” says **Sérgio Leite, Railway CEO at BAMIN**.

According to **Sandra Argolo, BAMIN's Community Relations analyst**, who has worked for the company for 14 years, “The project will change the lives of people across Brazil, bringing new jobs and new trading opportunities to the Bahia State. BAMIN is not about just numbers, we are a close-knit team of professionals who have worked tirelessly to reach this milestone. BAMIN is a team that works together and makes things happen.”

“The ramp up of our BAMIN integrated project also includes the Pedro de Ferra high grade iron ore mine, which is supplying both domestic and export markets with premium quality direct shipping ore, helping our customers substantially reduce their carbon footprint and making the State of Bahia the third largest iron ore producer in the country. In the meantime, FIOL 1 will have the capacity to handle 60 million tons of cargo annually. These are among the best examples of our journey in Brazil and our contribution to its economic development,” added **Mr Sobotka**.

KEY DETAILS AND DATA ABOUT ERG’s BAMIN INTEGRATED IRON ORE MINING AND LOGISTICS PROJECT IN BRAZIL:

FIOL - The contract to build FIOL 1’s 537 kilometers of railway was signed in September 2021, with Brazil’s Ministry of Infrastructure. BAMIN’s 35-year concession covers five years for construction and 30 years for operation. The west-east railroad has three stages. BAMIN was awarded Section 1, between Caetité and Ilhéus, during a bid held in April 2021. INFRA S.A., former Valec, will carry out approximately 70% of the work on FIOL 1, with BAMIN responsible for completing the remaining 30%. Sections 2 and 3 of FIOL are under the administration of the Federal Government of Brazil.

PEDRA DE FERRO MINE - The implementation of the logistics corridor that connects Caetité (Mine) to Ilhéus (Port) will allow BAMIN to expand its production from the current 1 million tons of iron ore to 26 million tons as of 2027, at the Pedra de Ferro Mine. This result should consolidate the state of Bahia as Brazil’s third-largest iron ore producer.

BAMIN offers the international market a distinctive and high-quality ore which in 2022 averaged 65.5-66% Fe DSO fines, placing it in the premium category. This premium ore aligns with global decarbonisation efforts, as it requires a lesser amount of coal during the steelmaking process, resulting in reduced CO2 emissions.

PORTO SUL - Porto Sul, on the coast of Ilhéus, is a deep-water sea terminal, which can receive ships with a capacity of up to 250,000 tons. Scheduled to become operational in 2027, the venture is expected to move up to 42 million tons per year. BAMIN will use 60% of the operational capacity of the sea terminal, making 40% available for other industrial and agricultural cargo.

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About Eurasian Resources Group:

Eurasian Resources Group (ERG) is a leading diversified natural resources group headquartered in Luxembourg with integrated mining, processing, energy, logistics, and marketing operations. The Group operates in 16 countries and is a major employer in the industry with over 80,000 employees and contractors.

ERG is the world’s largest high-carbon ferrochrome producer by chrome content and one of the largest producers of cobalt. It is also a large global supplier of copper and high-grade iron ore. In Eurasia, it is one of the largest suppliers of alumina and is Kazakhstan’s only producer of high-grade aluminium.

In Kazakhstan, ERG represents one third of the metals and mining industry. It is also a key power supplier and a large railway operator in Central Asia. ERG manages several of Kazakhstan’s leading production entities, including **Kazchrome**, **SSGPO**, **Kazakhstan Aluminium Smelter (KAS)**, **Aluminium of Kazakhstan**, **Eurasian Energy Corporation**, and others.

In Africa, ERG mines and processes copper and cobalt ore and produces copper metal and cobalt hydroxide. **Frontier** is the cornerstone of the Group's copper business, and ERG's **Metalkol**, a major tailings reprocessing operation in the Democratic Republic of the Congo, has become the world's second largest producer of cobalt as well as a major producer of copper.

The Group has its own supply chain on the continent through its logistics company **Sabot** as well as development projects which are focused on other minerals and products in South Africa, Zimbabwe, Mozambique and Mali.

In the Kingdom of Saudi Arabia, ERG is focused on adopting a technological leadership position through industry partnerships, with the Kingdom serving as a strategic base for an advanced, high-impact hub to sustainably meet mineral demand. ERG intends to expedite early-stage exploration in the Kingdom to help meet the surging demand for battery metals, by deploying innovative and sustainable exploration technologies through its Technology Intelligence division.

In Brazil, ERG is developing **BAMIN**, an integrated mining and logistics project in the State of Bahia, which comprises the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated stretch of the new FIOL broad-gauge railway.

ERG is a strategic partner associate of the World Economic Forum and a founding member of the Global Battery Alliance (GBA), hosted originally on the platform of the Forum. The GBA is dedicated to ensuring an ethical and sustainable global supply chain for the lithium-ion batteries that can power the Fourth Industrial Revolution and a low carbon economy through electric vehicles, renewable energy technologies and smartphones. Since its establishment in 2017, the GBA has grown to include more than 140 leading businesses and international organisations as members.

ERG is also a co-founder of the Re|Source initiative, working together with CMOC, Glencore, Umicore and Tesla. The initiative uses blockchain to track cobalt and other responsibly produced battery materials in real operating conditions from the mine to an electric vehicle.