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## **MINERALS SUPPLY GUIDELINE**

### **STANDARD OPERATING PROCEDURES (SOP) FOR SUPPLY OF MINERAL PRODUCTS**

**&**

**THE COPPER CATHODES BUSINESS BASED ON EXPERIENCE IN THE DEMOCRATIC REPUBLIC OF  
CONGO (DRC) AND ZAMBIA.**

## **INTRODUCTION**

### **Corporate Information:**

Full Name of Corporation : **BEMACHIL GLOBAL RESOURCES LIMITED**  
Registration Number: : **120210021907**  
Date of Incorporation : **11/10/2021**  
Incorporated in (City/State/Country) : **LUSAKA, ZAMBIA**

### **Registered & Physical Address:**

Street Address: **10138 TOMPSON SAKALA CLOSE**  
City: **NYUMBA YANGA**  
State: **LUSAKA**  
Country: **ZAMBIA**  
Postal Code: **10101**

**Type of Products & Services Offered:** The company is direct supplier / seller of products (and related services) named below directly from various producers in African and Zambia:

**Bemachil Global Resources Limited** primarily deals in:

- **Precious Metals:** Gold (Dore Bars and Nuggets).
- **Precious and Semi Precious Stones:** Diamonds, Emeralds and Others.
- **Base Metals:** Copper (Cathodes, Blister, Millberry, Rod, Concentrate, Ore), Cobalt (Concentrate, Ore), Aluminum A7 Ingot), Lithium (Ore) and others.
- **Solid, Liquid and Gaseous Fuels, Industrial Chemicals & Related Products and Services.**



→ Facilitation/Monetization of Financial Instruments: SBLC or BG .

**Compliance:** Our company is committed to conducting business in accordance with all international and local applicable laws, rules and regulations, maintaining:

**1 Zero Tolerance** policy of trading and/or funding physical minerals/projects that are directly or indirectly linked to the following:

- Money laundering and/ or Financing of Terrorism.
- Human Rights Abuses, Exploitation, Physical Abuse, Slavery, Forced Labour and/or Worst Forms of Child Labour.
- Smuggling, Bribery, Corruption, Illicit Trade, Non-Payment of Government Fees.
- Environment abuse from the extraction and mining activities; and usage of harmful chemicals, substances and mining techniques.

**2 Strict Adherence** and on-going implementation of the OECD Guidance for Conducting Due Diligence when sourcing from Conflict Affected and/or High-Risk Areas.

- ▶ Conducting enhanced KYC on counter-parties.
- ▶ Identification of red-flags associated with transactional, counter-party and geo-political risks and conducting and assessing the outcome of enhanced due diligence of the red flags to begin trading with low to medium risk scenarios.
- ▶ Immediate dis-engagement of trading activities when high or zero tolerance risk scenarios are an escalation of low -medium risk scenarios.
- ▶ Annual independent external audit to ensure strict implementation of the OECD Guidance and internal procedures.



## CHAPTER 1: THE PRODUCTS

### 1.1 GOLD DORE BARS:



**Monthly:** 50 - 1,000+ Kgs.

**Quality:** 92% - 97% purity / 22+K - 23+K fineness.



**Price:** LBMA -10% to -18%  
with SBLC or BG

**Price:** LBMA -9% to -13% with  
DLC or LC

**\*Price** depends also on  
Incoterms delivery mode

**Quantity:**

**MOQ:** 25 Kgs.

**Trial Qty:** 25 Kgs

**Origin:** West African  
Countries: Mali & Cameroun.

**Delivery:** Incoterms CIF

**Payment Terms:**

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



## 1.2 COPPER CATHODES:



**Price:** LME -12% to -18%  
with SBLC or BG

**Price:** LME -9% to -12%  
with DLC or LC

**\*Price** depends also on  
Incoterms delivery mode

**Quantity:**

**MOQ:** 300 MT

**Trial Qty:** 300 MT

**Monthly:** 1,000 - 5,000+  
MT.

**Quality:** 99.99% purity.

**Origin:** DR Congo or Zambia or Tanzania.

**Delivery:** Incoterms CIF, FOB, DAP

**Payment Terms:**

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



**1.3 COPPER CONCENTRATES:**



**Price:** LME X CU% X CF (Coefficient Factor) - See CF Table Below.

**Quantity:**

**MOQ:** 300 MT

**Trial Qty:** 1,000 MT

**Monthly:** 1,000 - 5,000+ MT.

**Quality:** 25 - 40% purity.



**Origin:** DR Congo or Zambia or

Tanzania

**Delivery:** Incoterms CIF, FOB, DAP

**Payment Terms:**

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



**COPPER CONCENTRATES PRICING COEFFICIENT / FACTOR**

CU CONTENT %	COEFFICIENT %	UNIT PRICE USD/MT (DRY WEIGHT)
25.00 - 25.99	61	LME PRICE USD/MT X CU% X 61%
26.00 - 26.99	62	LME PRICE USD/MT X CU% X 62%
27.00 - 27.99	63	LME PRICE USD/MT X CU% X 63%
28.00 - 28.99	64	LME PRICE USD/MT X CU% X 64%
29.00 - 29.99	65	LME PRICE USD/MT X CU% X 65%
30.00 - 30.99	66	LME PRICE USD/MT X CU% X 66%
31.00 - 31.99	67	LME PRICE USD/MT X CU% X 67%
32.00 - 32.99	68	LME PRICE USD/MT X CU% X 68%
33.00 - 33.99	69	LME PRICE USD/MT X CU% X 69%
34.00 - 34.99	70	LME PRICE USD/MT X CU% X 70%
35.00 - 36.99	71	LME PRICE USD/MT X CU% X 71%
37.00 - 38.99	72	LME PRICE USD/MT X CU% X 72%
39.00 - 42.99	73	LME PRICE USD/MT X CU% X 73%
43.00 - 46.99	74	LME PRICE USD/MT X CU% X 74%



**1.4 COPPER WIRE SCRAP (MILLBERRY):**



**Price:** LME -12% to -18% with SBLC or BG

**Price:** LME -9% to -12% with DLC or LC

**\*Price** depends also on Incoterms delivery mode

**Quantity:**

**MOQ:** 300 MT

**Trial Qty:** 300 MT

**Monthly:** 1,000 - 5,000+ MT.

**Quality:** 99.95/99.99% purity.

**Origin:** DR Congo or Zambia or Tanzania.

**Delivery:** Incoterms CIF, FOB, DAP

**Payment Terms:**

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



## 1.5 ALUMINUM INGOTS



A7

**Price:** LME -12% to -18%  
with SBLC or BG

**Price:** LME -9% to -12% with  
DLC or LC

**\*Price** depends also on  
Incoterms delivery mode

**Quantity:**

**MOQ:** 1,000 MT

**Trial Qty:** 1,000 MT

**Monthly:** 1,000 - 5,000+ MT.

**Quality:** 99.70% purity.

**Origin:** DR Congo or Zambia  
or Zimbabwe

**Delivery:** Incoterms CIF,  
FOB, DAP

### Payment Terms:

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



**A8**

**Price:** LME -12% to -18%  
with SBLC or BG

**Price:** LME -9% to -12%  
with DLC or LC

**\*Price** depends also on  
Incoterms delivery mode

**Quantity:**

**MOQ:** 1,000 MT

**Trial Qty:** 1,000 MT

**Monthly:** 1,000 - 5,000+  
MT.

**Quality:** 99.80% purity.

**Origin:** DR Congo or  
Zambia or Zimbabwe.

**Delivery:** Incoterms CIF, FOB, DAP.

**Payment Terms:**

✓ Payment Guarantee: **SBLC, BG MT760 or DLC/LC** - Before Delivery.

✓ Final Payment: **TT / MT103** - after delivery & refining.



**1.6 OTHER PRODUCTS:** We will also supply the following products on request:

**1.6.1** Diamonds.

**1.6.2** Emeralds.

**1.6.3** Lithium  
Spodumene.



## CHAPTER 2. PRICING:

**2.1** All our prices are based on discounts of the market prices provided by LME or LBMA, and are subject to negotiation.

**2.1.1** The Discounts will be determined by the following factors - check respective products for range of price discounts:

**2.1.1.1** Quantity of product.

**2.1.1.2** Type of Payment Guarantee to be issued (SBLC or BG or DLC or LC). An SBLC & BG attract a higher discount than a DLC or LC.

**2.1.1.3** Type and standing or ranking of Bank issuing the payment guarantee.

**2.1.1.4** Incoterms delivery terms applied (e.g. CIF, FOB, DAP, etc). No EXW as we do not exstock products in any bonded warehouse or safekeeping place, but deliver on order directly from the plant/manufacturer to buyer's preferred place.

**2.2** The price for concentrates for copper, lithium, cobalt shall be calculated based on formular  $LME\ PRICE \times CU\% \text{ purity} - CF\ (Coefficient\ Factor)\%$  - Table Provided.

**2.3 Diamonds** Prices will be available with a Manifest, but negotiable at Table Top Meeting (TTM) in country of origin.



### **CHAPTER 3: DELIVERY TERMS:**

**3.1 Mandatory Prerequisites:** The seller shall deliver specified quantity of goods **only on order** after (1) the Sales & Purchase Agreement (SPA) is signed by the buyer and the seller and (2) the Financial Instrument (**FI**) is issued to the seller by the buyer's bank.

The company shall not entertain or deal with or initiate any discussions with any buyer not willing to comply with the prerequisites for any quantity required by the buyer - trial or monthly. Small quantities (below MOQ of a product) will be transacted on cash & carry basis payable in advance. The Financial Instrument (FI) is critical, as payment guarantee, to guarantee success of any transaction between the parties. That is why our offers and Agreements include the stated Delivery and Payment terms which the buyer must strictly adhere to if he seriously contemplates doing business with us. Should the buyer require the seller to deliver any quantity of a product to his chosen destination, or request for any product documents previous or current, prior to signing the agreement and issuing the FI, then the buyer shall pay (in advance) for all costs incidental to the delivery of the products from origin to his preferred destination. The costs will include, but not limited to, travel and incidental costs for the seller and, for the product, documentation, taxes, customs, clearance, transportation / export, insurance, shipment, etc. All purchases below MOQ shall be transacted on cash pre-paid basis.

**3.1.1** Delivery of goods shall be made under INCOTERMS CIF, CIP, DAP, DPU or FOB or as agreed, to the buyer's preferred unsanctioned destination following our Procedures within this document. We deliver goods, mainly, from our various product producers in Zambia and other African countries, subject to compliance with local and international laws, customs requirements including the O.E.C.D and U.N. directives on purchase/supply of minerals from "conflict or high risk" areas, where applicable.

**3.1.2** Each consignment shall be accompanied by relevant documents on delivery.

**3.1.3** All documents shall bear details of the Buyer and that of his company as "Consignee" when goods leave the plant.

**3.1.4** No goods leave the plant, or from the product producers, without being consigned to a buyer - and to be consigned to a buyer, the prerequisites in 2.1.1 above must have been complied with.



**3.1.5 Bonded Warehouse Account:** It is the responsibility of the buyer (not the seller) to nominate a Bonded Warehouse of their choice and have an agreement and account with their preferred Bonded Warehouse where we will deliver the goods as we can not have an account with each and every Bonded Warehouse in Zambia or DR Congo or at any ports as the buyers' preference of Bonded Warehouses vary.

**3.1.6 POP (Proof of Product): Photos, Videos, Samples And Documents.**

**3.1.6.1** It is illegal (against regulatory rules and laws) to provide or send to interested buyers photos, videos, documents (even redacted), etcetera for goods in the plant or bonded warehouse or goods consigned or formerly consigned or exported to another buyer (as proof of product or past performance) as that would also be a breach of the binding Confidentiality, Non Circumvention & Non Disclosure Agreements (NCNDA) we sign with clients. We will provide legal shipment documents, photos, videos and samples, to a buyer, only for the actual goods that have been mobilized, secured and reserved specifically for that buyer to purchase after he has signed the SPA and has issued a Payment Guarantee.

**3.1.6.2** Production of goods is by pre financing. Therefore, we do not stock (ex-stock) goods anywhere and we do not at all move goods from the plant, or from the product producers, to any Place or Buyer's destination - until the SPA and the Payment Guarantee are in place. This is so because of the costs we incur and logistics involved in the production, sourcing, storage and delivery, including security of the consignment, from source to storage facilities and Buyer's Preferred destination. We can't take such risk for a buyer who has not signed the SPA and has not issued a Payment Guarantee.

**3.1.6.3** As the mine or factory or plant is a restricted area, visits to these facilities shall strictly be by appointment after application and approval and after the buyer has signed the SPA and has issued a Payment Guarantee Without this fulfillment, a non- refundable fee of USD20,000.00 (as facilitation fees) shall be prepaid to the seller by the buyer prior to the visit.

**3.1.6.4** Should a buyer insist on getting samples or any document before signing the SPA and issuing a Payment Guarantee, the cost for providing such samples or documents or product shall be borne by the buyer prior to these being provided. The product quality is specified on the factory or smelter or lab Certificate of Analysis/Assay and/or assay conducted by SGS (or equivalent) at Bonded Warehouse or Loading Port and/or Destination Port. These certificates are sent or given to the buyer as stipulated in the FCO or SPA. The buyer can reject the goods, or renegotiate the price, if the quality does not conform to that stated in the SPA.



### 3.1.7 Standard Delivery Workflow

#### 1. Contract Finalization

- Commodity: Any base or precious metal.
- Quantity: As per buyer's order
- Contract Period: Often 12 months with renewal options
- Payment Terms: Commonly via **SBLC / BG** that is Cash Backed, Operative, Irrevocable, Transferable, Assignable and Divisible issued by top tier bank or a **DLC/LC** that is Cash Backed, Operative, Irrevocable, Transferable and Confirmed by a top tier bank.

#### 2. Pre-Shipment Inspection

- Inspection Agency: SGS or equivalent
- Location: At loading port (e.g., Durban, Daressalaam, Walvis Bay) with brand, batch number, and producer details
- Invoice and eWay Bill: For customs and internal tracking
- Certificate of Origin: Especially for imported goods
- Customs Clearance Documents: Required for cross-border shipments

#### 3. Warehousing and Handling

- Delivery Center: Designated warehouse.
- Warehouse Charges:  
Handling: Includes unloading, stacking, and inspection.

#### 4.. Delivery Terms

- FOB (Free on Board): Seller delivers to port; buyer handles shipping
- CFR (Cost and Freight): Seller pays for transport; buyer handles insurance
- CIF (Cost, Insurance, and Freight): Seller covers all costs to buyer's destination port

#### 5. Final Handover

- Risk Transfer: Occurs at agreed delivery point (e.g., loading port or warehouse)
- Buyer's Inspection: Final check before acceptance
- Release of Payment: via TT/MT103 upon confirmation of delivery and documentation.



## **CHAPTER 4: PAYMENT TERMS:**

**4.1 Prior delivery**, by Financial Instrument (FI) as **Payment Guarantee**: a Standby Letter of Credit (**SBLC MT 760 or BG MT760**) - see samples at Appendix 1 - that is Cash-Backed, Fully Funded, Operative, Irrevocable, Transferable or Assignable, Divisible and Divisible, valid for 365+1 days issued (via MT760 via Brussels S.W.I.F.T.) by a prime/top-rated bank in the world, in the amount corresponding to the trial or monthly shipment or contract value or as agreed. The issuing bank or its correspondent bank(s) must have an RMA link with the receiving bank nominated by the seller. When buyer opts to issue a DLC/LC, the conditions above will apply, but the face value must be contract value not specific consignment value.

**4.2 Post Delivery - Payments For Delivered Goods**: Value for each shipment shall be calculated based on quantity delivered and LME/LBMA price on date of final assay at Buyer's destination. The Buyer shall pay 100% by direct funds transfer via TT / MT103 to the Seller's nominated bank, against the Seller's Commercial Invoice, Final Assay Report and consignment documents. The buyer shall provide the seller with a copy of the MT103 transfer.

**4.3 Performance Bond**. After receipt, confirmation, authentication and funding of the SBLC or BG stated above or other agreed Financial Instrument (FI), the Seller's bank shall issue, to the Buyer, a Performance Bond Guarantee of **2% (two percent)** of value of the issued and authenticated SBLC or BG or other agreed FI quoting the FI Number, its face value, 2% PB value, contract details and description of the product.

**4.4. Commission**: Our company offer three (3) percent commission to brokers or facilitators or intermediaries for every delivered value (less product and shipment costs, if any) of goods that are paid for. This commission will be split 50/50 between buyer and seller sides and shared as agreed by the beneficiaries in each side and agreed in the Irrevocable Master Fee Protection Agreement (IMFPA).

## **CHAPTER 5: STANDARD OPERATING PROCEDURES (SOP):**

### **5.1 FOR GOLD DORE BARS**

**5.1.1. Buyer Issues LOI (Letter of Intent)** - includes buyer's company profile, quantity, purity, delivery terms, and banking details.m, and confirms readiness to proceed and financial capability.



**5.1.2. Seller Responds with FCO (Full Corporate Offer) specifying:**

- Product, Quantity and Delivery, Pricing formula (e.g., LBMA minus discount) and
- Incoterms (CIF only or Cash & Carry).

**5.1.3. Mutual Signing of SPA** including Legal identities of both parties, Governing law and jurisdiction, Delivery and inspection terms, Payment structure and penalties, Non-circumvention and confidentiality clauses, etc.

**5.1.4. Buyer Issues Financial Instrument: SBLC or BG** - Cash Backed, Operative, Irrevocable, Transferable, Assignable and Divisible; **DLC/LC** - Cash Backed, Operative, Irrevocable, Transferable & Confirmed. All must be from, or confirmed by, a top-tier bank and align with SPA terms.

**5.1.5. Seller Prepares Shipment**

- Conducts pre-shipment assay and inspection
- Arranges export documentation:
  - Commercial Invoice
  - Certificate of Origin
  - Assay Report
  - Packing List
  - Export Permit

**5.1.6. Shipment and Delivery**

- Shipment via secure commercial airlines.
- Delivery to buyer's designated Port of Entry Airport and then transported by secure transport to buyer's refinery.
- Insurance provided.

**5.1.7. Refinery Assay and Payment**

- Buyer's refinery conducts final assay
- Payment released based on net gold content and agreed discount
- Discrepancy resolution mechanism included.
- Inspection by third-party (e.g., SGS) is often required when there is a dispute with assay results.



### 5.1.8. Final Settlement and Rollovers

- Parties confirm transaction completion
- Option to roll over for future deliveries under same terms.

## 5.2 FOR COPPER CATHODES AND OTHER BASE METALS,

### 5.2.1. Parties Involved:

- Full legal names and contact details of the Buyer and Seller
- Confirmation of legal and corporate responsibility
- Trade registry numbers and authorized representatives

### 5.2.2. Product Specifications:

- Commodity: (e.g. Copper Cathodes Grade A (Electrolytic Copper))
- Purity: 99.99% minimum (rejection below 99.95%)
- Dimensions and weight per sheet/pallet/container

### 5.2.3. Pricing and Payment Terms:

- Price basis: Will be linked to London Metal Exchange (LME) rates with specified discounts (e.g., 12% off LME: 9% + 3%)
- Currency of transaction
- Payment method: Typically via SBLC, BG or DLC/LC as Payment Guarantee, then TT/MT103 after delivery and assay.
- Payment schedule and penalties for delays.

### 5.2.4. Delivery Terms:

- Incoterms (e.g., FOB, CIF, DAP) specifying responsibility for shipping, insurance, and customs
- Delivery schedule and logistics provider
- Port of loading and discharge
- Packaging and labeling requirements



#### 5.2.5. Documentation:

- Required documents include:
  - Commercial Invoice
  - Packing List
  - Certificate of Origin
  - Assay Certificate
  - Bill of Lading
  - SGS or equivalent inspection report

#### 5.2.6. Quality Assurance and Inspection

- Third-party inspection (e.g., SGS) at loading port
- Rejection criteria and dispute resolution mechanism for substandard material

#### 5.2.7. Legal Clauses

- Governing law and jurisdiction
- Force Majeure clause
- Confidentiality and non-circumvention
- Termination conditions

#### 5.2.8. Risk Management

- Insurance coverage during transit
- Fraud prevention measures (e.g., verified supplier/buyer status, zero-risk contract)

### **CHAPTER 6: RISK IDENTIFICATION AND MANAGEMENT**

**6.1** The greatest risks associated with our business today are fake buyers, fake sellers, fake or imitation products.

**6.1.1** Some buyers may pose as legitimate traders to secure shipments without payment or without issuing any financial commitment or acceptable payment guarantee or use fraudulent POF documents or shell companies or disappear after receiving goods or demand unreasonable contract changes.



**6.1.2** Equally some sellers may pose as legitimate traders to secure payments without genuine goods or with fraudulent POP documents or disappear after receiving payment or instruments.

**6.1.3** Fake or imitation products may be offered by fake sellers, but this is easily detected by independent third-party assay companies (e.g. SGS) who authenticates the commodity before the buyer can pay any money for the goods.

**6.1.4** Commodity business is a cash-business, but buyers do not want to pay any upfront or advance funds for their purchases but expect the seller to deliver goods to them. We feel we can overcome these risks if buyer's committed themselves to the business by issuing a Financial Instrument acceptable to the Seller as highlighted in our payment terms.

**6.2** As you can see, the seller is the biggest risk taker as he has to provide the commodity, pay for all costs, and take all the risks (financial, cargo and personal safety, etc), to move the commodity from source to the buyer's preferred destination - even at buyer-demanded huge discounted prices which provide further financial benefits to the buyers. Additionally, after receipt of the acceptable FI, our bank will post to the buyer's bank a 2% Performance Bond (**PB**) Guarantee for aggregate value of the FI issued to compensate for any non-performance by the seller, which we don't condone. So the buyer spends absolutely nothing and risks nothing, but expects us to pay for every expense to move goods to him! Frankly, we can not and do not do that - unless we have been issued with an acceptable FI as payment guarantee.

**6.3** Whether we deliver goods on CIF or FOB or CIP or other basis, we still incur massive costs while the buyer just sits and wait to receive the goods without any financial commitment to the business.

**6.4** This is the major risk and hence our strategy to work with a FI that will mitigate the risk and facilitate a smooth transaction between us and the buyers and ensuring continuity of the transactions - at minimum or no risk at all to either party. The only costs to the buyer are the fees for raising the FI - relatively small compared to the huge costs incurred by the Seller to mobilize and ship the goods to buyer's destination.

**6.5** We are also not oblivious of the fact that most of the so-called buyers masquerade as end-buyers, when they are not, hence they have no money to buy goods or issue an FI. They only want the seller to move goods to their destination at his cost so that when the goods arrive, they advise the end-buyer who buys the goods from them and pay them, then, they pay us! Making money without spending any money! We have no objection to this arrangement as long as the business is legitimate. Other buyers have, for no valid



reason whatsoever, even refused to pay for the goods after delivery according to the Agreement - even where a Agreement was signed but without any financial commitment on the buyer's part. Now, imagine the costs incurred by the seller, and risks involved, in the process! We have no dealings with such buyers.

**6.6** It is because of such experiences with such buyer's, we use the Financial Instrument (FI) strategy that facilitates and enhances our credit facility with our bank or Financiers who will fund our transactions against the FI (at our costs) to the mutual benefit of buyer and seller and more so, to a larger extent, to the benefit of the buyer who gets goods delivered to him at his preferred place at discounted prices and without bearing any costs whatsoever for the goods delivered - (except minimal bank charges for the FI issued which seller covers by issuing the 2% PB). Regardless of the above, when there is a FI issued to the seller and where the seller delivers goods to the buyer, and buyer fails to pay, payment for the goods is guaranteed and made by the FI issuing bank on presentation of documents proving delivery of goods as per Agreement. Buyer can also revoke the payment guarantee upon failure of the seller to deliver. So risks to either party is minimized or eliminated.

## **CHAPTER 7: CONFIDENTIALITY, NON-CIRCUMVENTION AND NON-DISCLOSURE**

**7.1** We sign the Confidentiality Non-Circumvention Non-Disclosure Agreements (NCNDA) with all our clients and are bound by these agreements. Unless compelled by court, we do not in any way, provide documents generated for other clients to third parties and we do not sanitize such documents to prove past performance otherwise the seller shall be liable for prosecution in courts of law . Sanitizing documents and presenting them to other persons amounts to forgery (uttering and presenting false documents) - a criminal offence.

**7.2** Seller and Buyer shall treat information and documents (about our products producers, plants, smelters, clients, etc.) provided by the other party on a strictly private and confidential basis. Seller and Buyer shall take all necessary steps to prevent the other party's confidential information from being misused or disclosed or made public to any third party except as may be required in accordance with the law.

**7.3** The obligations of confidentiality of Seller and Buyer shall remain in force for a period of five (5) years from the date of signing the Agreement.

**7.4** The seller shall not provide or send to interested buyers photos, videos, documents, etc for goods in the plant or bonded warehouse or goods consigned or formerly consigned or exported to another buyer as that would amount to fraudulency, another criminal act.



**7.5** The seller guarantees Facilitators, Middlemen, Brokers, etc protection from being circumvented by any party. Until the Seller and Buyer are formally linked by the introducer/facilitator all communication with the buyer and seller shall be via the facilitators whose financial and other interests shall be covered in the Confidentiality, Non Circumvention, Non Disclosure Working Agreement (NCNDA) and Irrevocable Master Fee Protection Agreement (IMFPA) to be signed by the concerned parties.

## **CHAPTER 8: COPPER CATHODES & OTHER METALS BUSINESS BASED ON EXPERIENCE IN THE DR CONGO & ZAMBIA.**

Understanding *Copper Price*, the *Local Copper Market* & LME Non-registered *Copper Price Discount* :

**8.1. Ready-To-Export Copper Cathodes.** Stop Looking For ready-to-export Copper Cathodes. You are not far luckier than thousands of people who have tried but failed to get the Ready-To -Export Copper Cathodes.

**Ready-To-Export copper** in the DR Congo, also in Zambia, does not exist and large discounts on the LME copper price often offered are illegal according to the local regulations.

**8.2 Think Pre Financed Production Rather Than Waste Time.** Producing is the way to succeed in this business as 100% (3,100,000 Metric Tons - in the Democratic Republic of the Congo (DRC) and 95% (780,000 MT - in Zambia) of annual production, in 2024, (of about 3,100,000 MT - DRC and 820,670 MT - Zambia) was sold in advance, prior to production, to buyers who **pre-finance** production - leaving for "grabs" only about (approximately Zero MT in the DRC & 40,000 MT in Zambia annually, sometimes even nothing!) scarcely available for sale to thousands of seekers of this metal! This has been the trend for years.

**8.3 Copper Price & Discounts:** The first thing to say about the price of copper in DRC is that the country uses the official price of goods on a public market. In the DRC, the copper market or metals in general is regulated by an official price on the local market. From this official price, will be calculated mining royalties and all taxes related to the local mining activities. Very often, the official value of a metal in the DRC will be close to the price of official international market prices such as LME copper price, for example. The consequence is that a copper cathode producer, for example, will not be able to offer a large **discount** on the LME copper price.



#### 8.4 Local Copper Market

**You will not find copper cathode waiting for you somewhere in a private or international warehouse in DR Congo or Zambia.** Most of the time, many company or traders engage in a search for metals already produced in the DRC or Zambia. This type of search is often motivated by a search for the best LME copper price. So these company think they can do “good business”. All too often the realities of the copper market, as well as local laws, are ignored or unknown - and in the end the searchers are scammed.

**Producing metals is a major investment. No metal producer (in the world) takes the risk of incurring production costs without having an identified and financially committed buyer. 90% of the so-called Ready-To-Export copper cathode offerings are fake or scams.** However, if you inquire about the production procedures or even the production costs then you will finally understand that, unless you finance production, there will be no huge LME Discount Prices and no copper cathodes that will be delivered to you anywhere.

#### 8.5 Which Are The Local Market Players & Their Copper Prices?

Facts are that in the DRC (even Zambia), 90% of the copper plants are foreign owned or subsidiaries of foreign company. There is a consequence to all this. The foreign subsidiaries produce **exclusively** for their respective customers. Subsidiaries that are part of the copper market do not have decision-making powers. So, most of them cannot decide on the copper prices sales or enter into Agreements with anyone.

#### 8.6 Why Not Think Production Rather Than Waste Time And Energy Believing That You Will Be Far Luckier Than Thousands Of People Who Have Failed?

**8.6.1** Ready-To-Export mining products are virtually non-existent in the copper market. This remains true for all processed metals : concentrates, sulphates, hydroxides, pure metals such as copper cathode, blister, etc.

**8.6.2** The practice in the metals market is to sell goods before production through **offtake or funding agreements**. This means that, for the copper market in the DRC, 90% of the metals produced right now are allocated to off takers. This is equally true for Zambia.

**8.6.3** No supplier incurs costs for production, storage, documentation and logistics without first engaging a buyer who makes pre-payment before production.

**8.6.4** An example is a copper and cobalt plant purchased in 2022 by a foreign company in DR Congo. The entire production of the factory was already paid for in advance before the beginning of production in 2023.



**8.7 Which company Offer To Sell Ready-To-Export Metals Mainly On Local Cobalt And Copper Market?** These Ready-To-Export offers can be found in two copper market categories, namely:

**8.7.1 Offers From Illegal Factories.**

**8.7.2 Factories In Financial Difficulties Looking For A Financing Agreement.**

The sales offers for cathode or any other metals with a very high unbeatable LME copper price discount, come mainly from these factories

## **CHAPTER 9: THE CONCLUSION ABOUT THE LOCAL COPPER MARKET AND THE PRICES OF COPPER IN DRC.**

**9.1** The dynamics in the local copper market comes from the sale of ores. The price of copper ore is managed by local operators. Copper concentrates remain available in reasonable quantities. Copper cathodes Ready-To-Export pose several problems - issues related to payment methods, traceability, documentation and acquisition costs. The search for Ready-To-Export metals is definitely not a good procurement strategy.

**9.2** There are no stocks of Ready-To-Export copper concentrate or copper cathodes right now stored and free of any sales commitment. No producer can propose a Agreement of sale that commits him to produce and supply you while guaranteeing a fixed copper price without funding agreement.

**9.3** To give you an idea, consider the costs of production and delivery, etc for a copper cathodes production plant that produces about 1500 MT per month: requires to excavate or buy copper ores (about 30 000 MT), consume fuel (200 cubic meters, i.e. 200 000 litres) and use Electricity (7.5 Megawatts), plus Lime, Acid and Pay its employees, Taxes, Transportation (50 trucks or 30 rail wagons), etc. No metal producer (in the world) takes the risk of incurring these costs without having an identified and financially committed buyer. Only very small and often illegal plants (included in the remaining 10% of the market) bring Ready-Made products to the local copper market.

**9.4** Some buyers involve international warehouses such as BOLLORE, CEVA, STEINWEG, etc. This is where it becomes interesting to see that the success rate is close to zero. This is due to the fact that the metals proposed by this process do not comply in more than 90% of cases due to ownership or documentation or traceability issues.



9.5 So focus on approaches that secure & guarantees supplies with the right copper price. Looking for the highest discount on the LME copper price is a wrong strategy.

#### **CHAPTER 10: THE SOLUTION WE OFFER.**

10.1 A **Financed Production** based agreement guarantees supplies. That is why our business terms are structured to promote pre-financed production and sourcing to guarantee availability and supply of legitimate copper cathodes (and other products) with attractive prices to the committed buyer as an incentive.

10.2 We simplify your procurement as our company takes care of everything from sourcing or buying ores or prefinancing production of high quality products and then to the supply/delivery of the products to local or international warehouse or port or buyers' choice.

10.3 company looking for real and legal metals, are **looking first for experts** and not the lower price for copper. We can help you to bring ever safer and always simple solutions. We understand the local copper, gold and cobalt market in DRC/Zambia and other countries we have a presence in and their mode of operation and so, we provide **professional solutions** to meet the ever increasing needs of the demand for copper, cobalt and other products as well as gold from our producers.

10.4 For the purchase commitment, **we offer flexible and secure payment and delivery terms that guarantee availability and sustainable supply** of products to our clients.

10.5 We encourage you to take advantage of our experience. You will wish you had done so earlier! Send us your Letter of Intent (LOI) stating product, quantity required and delivery port/place. We will in return send our FCO or SPA with full Terms, Conditions and Procedures.



**APPENDIX 1**

**SAMPLE VERBIAGES OF PRE-ADVICE MT799, SBLC MT760, BG MT760 & PERFORMANCE BOND (PB)**

(Text may vary in substance but the essential undertaking must be maintained)

**A1.1: SAMPLE PRE-ADVICE via MT799**

Sender : XXXXXXXX

Receiver : XXXXXXXX

20 : Transaction Reference Number  
XXXXXX

21 : Related Reference  
XXXXXXXXXX

79 : Narrative  
DEAR SIR/MADAM,

PLEASE ADVISE THIS SWIFT IMMEDIATELY TO YOUR CLIENT, XXXXXXXXXXXXX LIMITED WITH ACCT NO. XXXXXXXXX IN YOUR BANK ("YOUR CLIENT").

WE, XXXXXXXXXXXXX BANK AT XXXXXXXXXXXXXXXXXXXXXXX, WITH FULL BANKING RESPONSIBILITY, HEREBY CONFIRM THAT WE ARE READY, WILLING AND ABLE TO ISSUE AND DELIVER OUR STAND BY LETTER OF CREDIT VIA SWIFT MT760 IN FAVOR OF YOUR CLIENT, XXXXXXXXXXXXXXX WITH ACCT. NO. XXXXXXXX, AS BENEFICIARY, WITH A VALIDITY OF ONE (1) YEAR AND ONE (1) DAY SINCE DATE OF ISSUE, IN THE FACE AMOUNT OF €XXXXXXXXXX (AMOUNT IN WORDS).

WE HEREBY CONFIRM THE STANDBY LETTER OF CREDIT IS CASH-BACKED AND IS TRANSFERABLE, ASSIGNABLE AND UNCONDITIONALLY CALLABLE UPON MATURITY BY OUR BANK.

PLEASE CONFIRM YOUR RWA VIA SWIFT MT799 THAT YOU ARE READY TO RECEIVE OUR STANDBY LETTER OF CREDIT VIA SWIFT MT760.

BEST REGARDS  
XXXXX BANK



**A1 2: SAMPLE SBLC VERBIAGE via SWIFT MT760**

SBLC NO.: XXXXXXXXXXXXX  
 ISSUING BANK: XXXXXXXX  
 ADDRESS: XXXXXXXXXXXXXXXXXXXX  
 SWIFT CODE: XXXXXXXX  
 BANK OFFICER: XXXXXXXX  
 APPLICANT: XXXXXXXXXXXXXXXXXXXX  
 DATE OF ISSUE: XXXXXX  
 DATE OF MATURITY: XXXXXX  
 CURRENCY: EUROPEAN UNIONCURRENCY  
 FACE AMOUNT: €XXXXXXXXXX

RECEIVING BANK: XXXXXXXXXXXXXXXXXXXX  
 ADDRESS: XXXXXXXXXXXXXXXXXXXX  
 SWIFT CODE: XXXXXXXX  
 BANK OFFICER: XXXXXXXX  
 BENEFICIARY: XXXXXXXXXXXXXXXXXXXX

FOR VALUE RECEIVED, WE, (NAME & ADDRESS OF ISSUING BANK), HEREBY IRREVOCABLY AND UNCONDITIONALLY, WITHOUT PROTEST AND NOTIFICATION, PROMISE TO PAY AGAINST THIS STAND BY LETTER OF CREDIT TO THE ORDER OF (NAME OF BENEFICIARY), THE BEARER OR HOLDER THEREOF, AT MATURITY THE SUM OF €XXXXXXXX.00 (AMOUNT IN WORDS) IN THE LAWFUL CURRENCY OF EUROPEAN UNION, UPON SURRENDER AND PRESENTATION OF THIS STANBY LETTER OF CREDIT AT OUR OFFICE AT (ADDRESS OF ISSUING BANK), BUT NOT LATER THAN 15 (FIFTEEN) DAYS AFTER MATURITY DATE OF THIS SBLC.

SUCH PAYMENT SHALL BE MADE WITHOUT SET-OFF AND FREE AND CLEAR OF ANY DEDUCTION OR CHARGE, FEE OR WITHOLDING OF ANY NATURE PRESENTLY OR IN THE FUTURE IMPOSED, LEVIED, COLLECTED, WITHHELD OR ASSESSED BY THE GOVERNMENT OF (ISSUING COUNTRY) OR ANY POLITICAL SUBDIVISION OR AUTHORITY THEREOF OR THEREIN.

THIS SBLC IS FREELY TRANSFERABLE, ASSIGNABLE AND DIVISIBLE WITHOUT PRESENTATION OF IT TO US AND WITHOUT THE PAYMENT OF ANY TRANSFER FEE OR CHARGE.

THIS SBLC IS SUBJECT TO THE UNIFORM RULES FOR DEMAND GUARANTEE AS SET FORTH BY THE INTERNATIONAL CHAMBER OF COMMERCE, PARIS, FRANCE, ICC PUBLICATION NO. 758, 2010 REVISION.

THIS SBLC SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF (ISSUING COUNTRY).

ALL BANKING CHARGES ARE FOR THE ACCOUNT OF APPLICANT.

THIS IS AN OPERATIVE INSTRUMENT AND NO FURTHER MAIL CONFIRMATION WILL FOLLOW.

FOR AND ON BEHALF OF  
 (NAME AND ADDRESS OF ISSUING  
 BANK) AUTHORIZED BANK OFFICER #1  
 AUTHORIZED BANK OFFICER #2



**A1.3: SAMPLE BANK GUARANTEE (BG) VERBIAGE via SWIFT MT760:**

Date :  
Name of issuing Bank :  
Issuing Bank address :  
Bank SWIFT Code :  
Bank Officer :

Name of Receiving Bank :  
Bank SWIFT Code :  
Attention Bank Officer  
: Mr. Title  
Bank Guarantee Number :  
Beneficiary :  
Address :  
Currency :  
Amount :  
Issuing Date :  
Maturity Date : one year + one day (from issuing date)

For the value received, we, the undersigned, .....Bank, ....., hereby issue our irrevocable, unconditional, transferable, divisible, and without protest or notification, promise to pay against this Bank Guarantee Nr.....to the order of..... (Beneficiary), the bearer or holder thereof, at maturity, the sum of Euro..... (Euro .....million only) in the lawful currency of the European Union, upon presentation and surrender of this Bank Guarantee at any of the counters of our offices at.....

Such payment shall be made without set-off and free and clear of any deductions, charges, fees, or withholding of any nature presently or in the future imposed, levied, collected, withheld or assessed.

This Bank Guarantee is cash backed, divisible, assignable and transferable without presentation of it to us and may be relied upon for the purposes of obtaining credit lines or loans.

Except as otherwise expressly stated herein, this Bank Guarantee is governed and constructed in accordance with the laws of .....

This Bank Guarantee is governed by the Uniform Rules for Demand Guarantees as set forth by the International chamber of Commerce latest revision of publication 500/600 URDG 758.

Your demand for payment should reach us not before or but not later than ..... after which date, this bank guarantee expires in full and should be considered null and void.

For and on behalf of (name of the issuing Bank)

Authorized Officer  
(Name, Title, Pin Code)

Authorized Officer



**A1 4: SAMPLE PERFORMANCE BOND (PB) VERBIAGE:**

**Bond Number:**

**ISSUER:**

BANK NAME: XXX.

ACCOUNT NAME: XXX

ACCOUNT NUMBER: XXX

SWIFT CODE: XXX

DATE OF ISSUE:

DATE OF EXPIRY:

**BENEFICIARY:**

BUYER'S NAME: XXXXXXXXXXXXX

BUYER'S BANK DETAILS:

BANK NAME: XXXXXX

ACCOUNT NAME: XXXXX

ACCOUNT NUMBER: 999999999999

SWIFT CODE: XXXXXXX

CONTRACT CODE: XXXXXXXXXXXXX

TRANSACTION CODE: XXXXXXXXXXXXX

We, xxxxxxx, at xxxxxxx, are informed that our client xxxxxxx, at xxxxxxx, (hereinafter called the Seller) has entered into a written contract, with your client XXXXXXXXXXXX (hereinafter called the Buyer), dated 22nd October, 2021 with Contract Code and Transaction Code as stated above for the monthly supply of xxxxx metric tons of xxxxxxxxxx for 12 months in accordance with the terms and conditions of said Contract, which is hereby referred to and made a part hereof as if fully set forth herein and that it has been stipulated by you in the said Contract that the Seller shall furnish you with a Performance Bond Guarantee for the sum of \$00,000.00 ( xxxxxx United States Dollars Only) to cover the **2% (two percent)** of the face value of \$,000,000.00 of SBLC Number XXXXXXXX and each opened operative SBLC amount as security for the Seller's failure to perform his obligations in accordance with the Contract.

Therefore, we, xxxxxxx bank, hereby issue our Performance Bond Guarantee with the Bond Number as stated above and irrevocably undertake to pay you unconditionally and independently forthwith any sum of sums not exceeding in aggregate of United States Dollars of **US\$00,000.00** upon our receipt of your demand by authenticated SWIFT through your bank stating the amount of such claims and indicating in what respect the Seller is in breach of his obligations under the Contract.

Our Guarantee is valid until DD/MM/YYYY and thereafter automatically reinstated for the same period against simultaenous receipt of \$100,000,000.00 reinstated operative monthly SBLCs for each of the following months and is available by payment at our counters. Any claims must be received at our offices situated at xxxxxxx on or before that date, after which our liability to you under our Guarantee will cease and our Guarantee will be of no further effect.



This Performance Bond Guarantee is subject to the Uniform Rules for Demand Guarantees (ICC Publication No.758).

This is an operative instrument. No mail confirmation of this instrument shall follow. all charges are for the account of the applicant.

This Performance Guarantee is only personal to you and is not assignable or transferable.

FOR AND UPON BEHALF OF,  
**Xxxxx bank**

Bank Officer: **XXXXXXXXXX**  
Position: **XXXXXXXXXX**  
Bank Officer Tel.: **+999999999**  
Bank Officer Email: **XXXXXXXXXX**



**Disclaimer:**

*This Minerals Supply Guideline is provided for informational purposes only and does not constitute a binding offer or contract. All transactions involving base metals (e.g., copper, aluminum, zinc) and precious metals (e.g., gold, silver, platinum) are subject to market availability, final pricing, and mutually agreed contractual terms.*

**💰 Pricing & Market Volatility**

*Prices quoted are indicative and subject to change without notice due to fluctuations in global commodity markets. We do not guarantee future pricing or market performance. Buyers acknowledge that metal values may vary significantly between order placement and delivery.*

**📦 Delivery Terms**

*Delivery timelines are estimates and may be affected by logistics, customs clearance, or force majeure events. All shipments are subject to Incoterms as specified in the final contract. Risk of loss or damage passes to the buyer upon dispatch unless otherwise agreed.*

**💰 Payment Terms**

*Payment must be made in accordance with the agreed terms outlined in the invoice or purchase agreement. Late payments may incur interest or penalties. We reserve the right to withhold delivery until full payment is received.*

**⚠️ Risk & Purity Disclosure**

*Buyers are responsible for verifying the purity, weight, and specifications of metals upon receipt. We disclaim liability for any indirect, incidental, or consequential damages arising from use or resale of the metals. All metals are sold "as is" unless otherwise certified.*

**📋 Compliance & Due Diligence**

*Buyers must ensure compliance with all applicable laws, including import/export regulations, anti-money laundering protocols, and tax obligations. We reserve the right to request documentation to verify buyer identity and transaction legitimacy.*

**> By proceeding with a purchase, the buyer confirms understanding and acceptance of the terms outlined in this guideline.)**

Issued by the:

**Consultancy, Research & Strategic Planning Directorate.**

**AUTHORISED SIGNATORY & STAMP**

**NAME: BERNARD KABITI - GROUP EXECUTIVE CHAIRMAN**



**Effective January 1, 2026\*\*\* End of Document \*\*\***