

INDEPENDENT MONITOR 2025 REPORT: ASM FEASIBILITY STUDY

<p>ASM Feasibility Study. Consistent with its terms of reference, the Independent Monitor is to identify any recommendations from an artisanal and small scale mining (ASM) feasibility study conducted by a third party expert that Kagem declines to undertake. There is one recommendation Kagem has declined to pursue, but we include all recommendations and the company’s response for completeness and transparency. The projects have staggered end dates, anticipated through March 2026.</p>	
<p>ASM Strategy or Action Plan: Develop a more strategic approach to Kagem’s interactions with ASM participants and local communities that builds upon Kagem’s existing initiatives but also demonstrates a commitment to multistakeholder collaboration to improve upon the status quo and to implement the relevant provisions of the IRMA Standard.</p>	<p>Kagem is engaging with the government over its ASM strategy, with indigenous communities, and with Pilala/Sandawana to highlight dangers of trespassing and to move away from illegal mining. This will also be part of the CR/CA action plan for next year.</p>
<p>Government Engagement: Engage with the government and multilateral donors about an appropriate role for Kagem to contribute to multistakeholder initiatives to enhance the gemstone sector in Zambia, including in terms of the participation and coexistence with ASM participants and local communities.</p>	<p>The government has developed a draft ASM strategy report, and the company will engage with the government and potentially external stakeholders about implementation.</p>
<p>Redefine SMAP: Consider redefining the objectives and modalities of the Small-Scale Mining Assistance Programme (SMAP) depending on the outcomes of the engagement with government and multilateral donors.</p>	<p>As the primary shortcomings of SMAP is access to funding, the company is considering supporting applicants to SMAP with access to financing via potential donors. There is also an ongoing geological mapping of Zambia and NRERA for all minerals.</p>
<p>Support for GPLTC in Ndola: Consider providing additional support to the Gemstone Processing and Lapidary Training Centre (GPLTC) in Ndola.</p>	<p>The company is engaging with Centre leadership to establish needs and opportunities for collaboration, and is considering such steps as donating old lapidary equipment in Kamakanga, visiting as guest teachers, permitting student tours, donating low-grade beryl, and other possible steps.</p>
<p>Waste Dump Transparency: Consider undertaking a study that can credibly and transparently demonstrate that the Kagem waste materials contain no emeralds to refocus the discussion with ASM participants and local communities on more feasible and acceptable options.</p>	<p>Based on its many years of engaging with local communities, the Company does not believe further studies or explanations about waste materials would yield results different from those that have occurred to date. Alternative suggestions, like tours of processing facilities to understand the thoroughness of the emerald extraction process, have material security concerns that make them infeasible.</p>
<p>Enhance Alternative Livelihoods: Enhance Kagem’s support for alternative livelihoods through implementation of IRMA requirements for community investment.</p>	<p>Given the success of the Chitete Fish Farm project, Kagem is considering other participatory projects. These may include agricultural cooperative projects, and engaging with others about potential initiatives.</p>
<p>Collaboration within NRERA: As part of the recommendation for engaging with government and multilateral donors about reform and development of the gemstone sector, initiate a discussion about a regional development strategy</p>	<p>The company is involved with the Government Gemstone ASM Strategy, and will continue its engagement.</p>

<p>for the NRERA that provides more opportunity for coordination of alternative livelihood projects and community investments among LSM companies, government and donors.</p>	
<p>Support for Polytechnic: In the short-term, do as much as possible to ensure the sustainability of the polytechnic institute that Kagem is constructing in terms of ongoing government support and adequate resources to give quality training to the students.</p>	<p>The company is focusing on its ongoing support and interaction with Chapula Polytechnic after handover, to maximize its sustainability.</p>