



2022 Virtual Shareholder Open Day - 27 April 2022

Shareholder Queries

| Item No. | Topic                                  | Question  | Response   |
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| 1        | Double taxation on dividends received. | ZCCM-IH shareholders on the Euronext Access were taxed twice on the last dividend issued. Why is this and when will this issue be rectified?                    | ZCCM-IH agreed with SGSS to have the tax levied in Zambia. However, we understand SGSS may not have communicated to paying agents that tax was already withheld. ZCCM-IH enquired into why this was done but has not received any response. Recently, there has been a change of personnel dealing the ZCCM-IH at SGSS. ZCCM-IH will provide feedback once SGSS answers the query.   |
| 2        | ZCCM-IH's Financial Reporting.         | ZCCM-IH Financial Statements for the Year Ended 2021 were to be published by the end Q1 2022 as announced by the Board Director. Why has this not happened yet? | This is due to delayed publication of financial statements by some of our investee companies, and delayed restructuring of Investrust and mushe milling.   |
| 3        |  | When will the ZCCM-IH Financial Statements for the Year Ended 2021 be published?  | This is envisaged to be issued by 31 May 2022.   |
| 4        |  | What is being done to mitigate these delays in the future?  | Going forward, the following initiatives will be implemented among others:<br>-Introduction of interim audit effective 2022 financial year.<br>-Engagement of ZCCM-IH Group Auditors by investee companies to conduct specific audits for group reporting purposes.<br>-ZCCM-IH penalties and interest incurred from the regulators will be subsequently recovered from investee companies.<br>-Engage LuSE and SEC to extend financial reporting timelines to 4 months<br>-Implementation of Investrust Bank Plc and Mushe exit strategy via ZCCM-IH and IDC restructuring.<br>-Engage investee companies to improve on financial reporting timelines |
| 5        |  | Upgrading the company's listing on the Euronext.  | Status update on ZCCM-IH upgrading its listing in France from Euronext Access to Euronext Growth.  |
| 6        |  | Status update on the USD26,345 million Maamba Collieries Limited 2015 cash advance that was at a rate 6% per annum.   | Maamba has been experiencing financial struggles due to non-payment of the full monthly power sales invoices by ZESCO. Currently, what is being paid is only 40% of the bill and ZESCO has accumulated significant debt to Maamba. The ZCCM-IH loans advanced to Maamba are subordinated to a Consortium of third party lenders and can therefore only be repaid with their consent. The loan remains outstanding to date and has accumulated to US\$45 million as at 31 December 2021. The amount is partially impaired.  |
| 7        |  | Status update on the repayment of the 2017 Maamba Collieries Limited loan of USD9.75 million.   | This loan is currently sitting as a contingent liability, because the loan is expected to be paid from proceeds of dividends declared. Currently MCL has not paid any dividend to ZCCM-IH and a loan of \$9.7m remains outstanding.  |

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| 8  | Status update on the legal proceedings to recover "the USD10 million" (note, question has been relayed exactly as was received).  | The legal proceedings against MCL regarding the \$10m loan are ongoing. Trial is scheduled for 22 September 2022. It is worth noting that this loan is subordinated to third party lender facilities.   |
| 9  | Status update on the Lubambe Copper Mines cash call loan of USD76 million which was at Libor+ 5% repayment of a loan over 12 instalments.   | Lubambe is yet to make any payments on the outstanding loans and is currently working on a long term financing plan to resolve all historic financing deficits.   |
| 10 | Status update on the Kariba Minerals Limited loan of USD489,000 at 8% interest per year.  | The loan remains outstanding to date, and is fully impaired.  |
| 11 | The Chambeshi Metals Plc loans of USD2,5 million and USD 1,2 million payable with interest.   | The ZCCM-IH loan payable to Chambishi Metals is to be serviced by dividend payments when due from Chambishi Metals Plc. It is unlikely that Chambishi Metals will have sufficient distributable profits from which to pay dividends for the foreseeable future and is currently under care and maintenance. Therefore, the total amount of US\$ 3.7 million made up of principal US\$2.5million plus interest of US\$1.2million has not been recognised in the financial statements and is disclosed as contingent liability. |
| 12 | Copperbelt Energy Corporation had a EBITDA of USD94 million, a net cash position of USD74 millions, and only a CAPEX of USD16 millions. How is ZCCM-IH planning on challenging Copperbelt Energy Corporation to invest for faster growth in renewable energy and developing long term value for shareholders? | Now that the issues surrounding the long term Bulk Supply Agreement have been resolved, CEC is refocussing its effort in securing sustainable and reliable energy sources and already has a pipeline of projects at advanced stages of development. ZCCM-IH will use its representation at Board level to influence the speedy implementation of these projects.  |
| 13 | Did you find any skeletons in the cupboard after the sale by Glencore?  | The review of Mopani has continued post the acquisition. If any significant anomalies are found these will be communicated accordingly.   |
| 14 | What is the total amount of terminal benefits paid to the Mopani Copper Mines Plc miners?   | USD47 million   |
| 15 | What tonnage of cathode was produced by Mopani Copper Mines Plc mining operations for Q1 2021? Q2 2021 to Q4 2021? Q1 2022?   | Q1 2021: 10,236 tonnes<br>Q2 2021: 25,643 tonnes<br>Q3 2021: 24,640 tonnes<br>Q4 2021: 27,099 tonnes<br>Q1 2022: 21,426 tonnes  |
| 16 | How much concentrate was purchased by Mopani Copper Mines Plc from third parties and what was the gross sales revenue for Q1 2021? Q2 2021 to Q4 2021? Q1 2022?   | Third party concentrate used in production:<br>Q1 2021:16,418 tonnes<br>Q2 2021: 43,781 tonnes<br>Q3 2021: 54,702 tonnes<br>Q4 2021: 46,474 tonnes<br>Q1 2022: 55,409 tonnes<br><br>Gross Revenue (USD'000)<br>Q1 2021:126,399<br>Q2 2021: 135,000<br>Q3 2021: 235,484<br>Q4 2021: 252,868<br>Q1 2022: 236,466  |

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| 17 | Mopani Copper Mines Plc (various topics).   | What is Mopani Copper Mines Plc's EBITDA for Q1 2021? Q2 2021 to Q4 2021? Q1 2022?   | Q1 2021: (USD8,708 million)<br>Q2 2021: USD14.51 million<br>Q3 2021: USD7,789 million<br>Q4 2021: USD37,512 million<br>Q1 2022: USD12.19 million  |
| 18 |   | Could you provide a quarterly summary of the activities in the future? This must be available as Mopani had to do this report on quarterly basis for Glencore.   | ZCCM-IH will enhance its half yearly report to provide more details as requested and through regular updates to the market ZCCM-IH will provide detailed information on Mopani.   |
| 19 |   | Is Mopani able to generate free cash flow now?   | The company is currently not generating free cashflows owing to the fact that the company requires capital investments in order to increase productivity.   |
| 20 |   | Mopani Copper Mines Plc requires funding to increase production and the Government of the Republic of Zambia through the Zambia Revenue Authority owes Mopani Copper Mines over USD110 million in VAT refunds. What is ZCCM-IH doing to recover these funds? Is deducting Mineral Tax on this refundable VAT amount being pursued?   | ZCCM-IH and Mopani Copper Mines continue to engage the Zambia Revenue Authority (ZRA) to arrive at an amicable position. All possible options will be considered.   |
| 21 |   | According to press reports, a Zambian consortium has approached the government with a plan to take over Mopani Copper Mines Plc for USD3 billion (repayment of the USD1.5 billion debt, USD500 million for current shareholders, and USD1 billion of investment in the mine), while only USD300 million has been mentioned previously to double production. What is the exact amount for necessary investments, and how authentic was this announcement? | Not aware of this development. The estimated cost of the expansion projects is USD300 million as stated before.   |
| 22 | Maamba Collieries Limited having won an arbitration against ZESCO for USD250 millions with half of the payment to be paid soon, while the the other half is expected later. | Have the funds been received?  | The funds have not been received yet, ZESCO has been challenging enforcibility of the judgement on account of the issuing jurisdiction. The matter is being handled by Maamba's Legal team.   |
| 23 |   | What is the plan for these funds?  | The funds, when received will largely go towards reducing the indebtedness with the project lenders.  |
| 24 | Production at Kabundi Resources Limited.  | Status update on 60,000 Tonnes Per Annum (TPA) Ferromanganese and Silicon Manganese Plant to be built in the next 8 years (in 3 phases), starting with a 20, 000 TPA to be built.  | The due diligence process is being finalized and shareholders will be updated accordingly in due course.  |
| 25 |   | Has Kabundi Resources Limited's mining activity increased significantly since its inception? Have interim targets been met? If not, why is this?   | Production has not increased significantly as KRL recently commenced its own mining activities in the area as opposed to the previous model where mining activities were outsourced and KRL was only earning a royalty based on the total Mn mined by the contractor. |
| 26 |   | Has a thorough audit been undertaken or are there any plans underway for an audit following Mr. Milingo Lungu's departure to ensure no irregularities at Konkola Copper Mines Plc?   | ZCCM-IH lodged a complaint on what they felt as being mismanagment on the part of Mr Lungu. We undertand investigations are underway.   |
| 27 |   | Are the smelter refining and mining operations at Konkola Copper Mines Plc still operational?  | Both the smelter and mining activities are still operational at KCM.  |

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| 28 |  | What is Konkola Copper Mines Plc's current business? Is there any activity?   | Effective 1 February 2021, a decision was taken to split KCM into two separate business units namely, SmelterCo and Konkola Resources. SmelterCo comprises of the Nchanga Smelter & Refinery, the Nampundwe Pyrite mine, the Tailings Leach Plant, and the Old East Mill. KMR comprises the mining units, (Konkola Underground Mine, Nchanga Open Pits and Underground mines), support services such as Hospitals, Schools and Corporate offices, the 500 tons per day Acid Plant, and the Tailings Dams. All the business units at KCM are operational at present. |
| 29 | Konkola Copper Mines Plc (various topics). | Has ZCCM-IH's guarantee of the USD100 million transaction with Trafigura been cancelled?  | The guarantee is still in place and ZCCM-IH is in discussions with Trafigura to find a replacement for the collateral pledged on behalf of KCM.   |
| 30 |  | What is the total amount of terminal benefits to be paid to the miners for the splitting of Konkola Copper Mines Plc?   | The restructuring of KCM resulted in transferring of 5,588 employees from the Company to the newly formed companies and subsequently payment of redundancy packages a total cost of US\$96.1 Million (ZMW2.082 billion). As at 31st March 2022, all outstanding terminal benefits had been paid to employees.   |
| 31 |  | Are negotiations underway to convince Vedanta not to return to Zambia?  | We're unable to comment on this matter as it is the subject of ongoing legal cases.   |
| 32 |  | Are there any mining companies interested in taking over Konkola Copper Mines Plc? If so, will ZCCM-IH retain a stake?  | Due to the on-going court action, ZCCM-IH is constrained to comment on the matter. As regards retaining a stake, ZCCM-IH has intentions of retaining its equity stake in KCM regardless of who the investor is.   |
| 33 |  | What measures will be taken by ZCCM-IH to regularly monitor and possibly sanction any malpractice by any potential future partners?   | ZCCM-IH can only hold partners accountable to the extent of their rights as a shareholder. Sanctions can only be enforced by the regulators and other authorities. ZCCM-IH will continue undertaking due diligence on its potential partners to ensure they are credible.   |
| 34 |  | Dividend payments from Kansanshi Mining Plc.  | If Kansanshi Mining Plc can afford to fund the S3 expansion, why is it still in the business of giving ridiculous dividends to ZCCM-IH, especially considering the current copper prices?   |
| 35 |  | How much gold was mined for the Year Ended 2021 from Kasenseli Mine?  | 50.46 Kg  |
| 36 |  | How much gold was purchased by Zambia Gold company during the same period?  | 20.6 Kg   |
| 37 |  | What is Zambia Gold Company's gross revenue for the Year Ended 2021?  | ZMW 68.28 million (Unaudited)   |
| 38 |  | What are Zambia Gold Company's operating costs for the Year Ended 2021?   | ZMW 46.14 million (Unaudited)   |
| 39 |  | The Minister of Mines and Mineral Development Mr. Kabuswe's comments and accusation seem very harsh and zealous towards ZCCM-IH regarding the exploitation of the Kasenseli Mine. They seem to us totally unjustified. What may be the real reasons for his actions, and what progress has been made regarding lifting the suspension of the mining licenses at Kasenseli Mine? | ZCCM-IH and the Ministry of Mines and Minerals Development is engaged in discussions to resolve the challenges surrounding the Kasenseli mine.  |

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| 40 | Zambia Gold Company (various topics). | Chief Chibikwa's hostility seems to be based on a more favourable deal for him with another operator. Has ZCCM-IH considered a change in the shareholding for example ZCCM-IH retains 51%, Chief Chibikwa 24%, and the other two shareholders with 12.5% each, with the Ministry of Finance withdrawing from Zambia Gold Company?   | As ZCCM-IH, our focus has been on resolving the challenges and misunderstandings surrounding the operations at Kasenseli. We are currently in discussions with all stakeholders aimed at finding an amicable solution to all the problems at the mine. |
| 41 |                                       | Almost two years ago, the gold mining cooperatives blasted ZCCM-IH's monitoring, wanted to take over the mining equipment and threatened to sell the gold illegally to underground buyers. Now, President of the Rufunsa Cooperative Mr. Tembo claims that the illegal miners have taken everything, which is why they have not produced much. Are the gold mining Cooperatives to be considered as selling the gold illegally? | Issues raised in the question borders on policy, we will be engaging the Government to obtain guidance regarding these issues.   |
| 42 | Strategic Planning and other topics.  | Is there a plan to desinvest non strategic assets?  | Yes, the Group Restructuring Transaction is the starting point, thereafter a deliberate strategy to divest out of non-core assets will be implemented.   |
| 43 |                                       | Why are you not selling assets that earn nothing and cost money?  | Turnaround strategies have been developed for these entities and are being implemented to address the issues that have led to them performing badly. ZCCM-IH is also in the process of divesting from others like Nkana Alloy.                         |
| 44 |                                       | Despite high copper prices, some of our investees companies are struggling to make a profit. What arrangements are being made to ensure that does not continue?   | ZCCM-IH has been engaging all of its partners to ensure solutions are found across all struggling assets.  |
| 45 |                                       | A number of Euronext Access based shareholders want to be bought out. Is this something ZCCM-IH could consider if the Government of the Republic of Zambia remains directly or indirectly the majority shareholder?   | At the moment, there are no indications for such a corporate action. Shareholders will be informed, should the matter be considered in future.   |