



Executive Summary

Independent Assessment of LuNa Smelter's Chain of Custody System and Its Implementation

Phuzumoya Consulting – February 2026

Purpose and Scope of the Engagement

Phuzumoya Consulting was engaged to conduct an independent assessment of LuNa Smelter's Chain of Custody (CoC) system, its implementation, and the effectiveness of the system and its implementation in enabling LuNa to mitigate its supply chain risk, including the risk of its sourcing undeclared cross-border mineral inflows from neighbouring countries, including from high-risk areas in the eastern Democratic Republic of Congo (DRC).

A minerals CoC system does not, in itself, mitigate sourcing risk. It is, rather, an information and control architecture designed to generate structured, verifiable data regarding mineral production, movement, and supplier identity. Risk mitigation occurs when the CoC system is effectively implemented, meaning when management analyses that data, identifies anomalies or red flags, and takes proportionate action. Accordingly, we examined whether the system is appropriately designed, effectively implemented, and whether its implementation has enabled LuNa to effectively mitigate its supply chain risk.

The assessment included:

- a review of system documentation,
- site visits to LuNa's smelter in Kigali,

- field visits to two major upstream mine suppliers,
 - a visit to a trader supplying LuNa,
 - interviews with LuNa management and due diligence personnel,
 - testing of documentation, plausibility modelling, tagging controls, laboratory verification processes, and digital traceability records, and
 - interviews with independent industry sources.
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Assessment of System Design

We assessed whether the architecture of the CoC system generates the types of data required for LuNa to identify and assess supply chain risk.

The LuNa CoC system design incorporates:

- Supplier onboarding procedures including KYC, UBO identification, and sanctions screening;
- Geological analysis and production plausibility modelling;
- Controlled tag allocation linked to documented production ceilings;
- Documented mineral transfer procedures;
- Smelter reception controls including weighing, sampling, and laboratory assay comparison;
- Digital traceability infrastructure linking upstream data to finished tin products.

We conclude that the CoC system is appropriately structured to generate multiple, independent, and triangulable data streams relevant to risk identification.

Assessment of Implementation

We assessed whether LuNa is implementing the CoC system in accordance with its documented procedures.

Field verification confirmed:

- Completion of Production Plausibility Reports for onboarded suppliers;
- Tag allocation practices aligned with plausibility ceilings;
- Investigation of production anomalies through site visits;
- Consistent application of reception and assay controls;
- Maintenance of documentary records supporting mineral movement;
- Active use of digital traceability tools.

Supplier site visits demonstrated to us an operational consistency between observed mining activity, workforce size, infrastructure, and declared production volumes. Documentation testing did not identify systemic discrepancies between recorded and observed practices.

We conclude that LuNa is implementing the CoC system substantially in line with its stated design and procedures.

Effectiveness in Enabling Risk Mitigation

We then assessed whether the CoC system, as designed and implemented, effectively enables LuNa to mitigate supply chain risk.

The CoC system generates triangulated information that allows management to:

- Compare declared production against geological plausibility;
- Identify deviations from historical production baselines;
- Detect inconsistencies between assay results and known mineralisation profiles;
- Monitor supplier ownership and sanctions exposure;
- Trace finished products to upstream sources.

Evidence reviewed indicates that management has acted upon production anomalies through spot checks and field investigations.

No traceability or due diligence system, and particularly one operating in a high-risk regional context can entirely eliminate residual risk. **However, based on fieldwork, documentation testing, and system review, we conclude that LuNa's CoC system, as currently implemented, effectively enables and has enabled LuNa's supply chain risk mitigation.**