

MOXICO RESOURCES PLC

Section 172(1) Statement

(June 2023)

The long-term strategy of Moxico Resources plc (“Moxico” or the “Company”) is to become a low-cost and capex-light base metals producer and be an effective creator of value for the Company’s shareholders. The principal objectives of the Moxico group of companies (the “Group”) in 2022 were to secure the financing required to: fund the construction costs for Phase 1 of the Mimbula Copper Project (“Mimbula”), consisting of a 10,000 tonnes per annum (“tpa”) heap leach and solvent extraction and electrowinning (“SX/EW”) plant (“Mimbula Phase 1”); complete the construction of Mimbula Phase 1; and initiate activities related to the Phase 2 of Mimbula, consisting of the expansion of the 10,000 tpa operation to 56,000 tpa of copper cathode production through a 46,000 tpa agitated leach and SX/EW circuit. Simultaneous with the activities at Mimbula, the Group pursued its exploration programmes relating to its portfolio of prospecting assets in Zambia and delivered on the geographical diversification strategy by securing the mineral rights to the Khnaiguiyah Project in Saudi Arabia, together with its Saudi partner, Ajlan & Bros Company for Mining.

The Group has multiple stakeholders and partners, and the Board recognises that managing these relationships is in the best interests of the Company and will facilitate the success of the Group for the benefit of all its stakeholders.

The Group views its relationship with the local communities and the environments in which it operates as vital to its social licence to operate. There are two aspects to this: firstly, the Group must consider and minimise the potential negative or disruptive impact of its exploration activities and mining operations locally, both for the local communities and the environment; and secondly, the Group must ensure the benefits of such activities and operations flow to the local economy.

Maintaining a good relationship with its host governments is another critical aspect of the Group’s strategy and Management has devoted and continues to devote considerable time to ensuring its host governments are supportive of Moxico. The Group deems it essential to be able to demonstrate the economic and social benefits of its projects for the local and national economies of its host nations, while at all times remaining strictly politically neutral.

During 2022, the Group’s key suppliers were contracted for the provision of goods and services, primarily for Mimbula. Although the Group performs a large part of the project management and design work for its mineral projects internally, it nevertheless relies on third party suppliers of goods and services to meet its objectives. Maintaining good relations with key suppliers requires good communication of expectations and objectives, and mutual respect and support, including in matters such as the timely payment of invoices.

The Group’s workforce in Zambia grew from approximately 600 individuals in January 2022 to approximately 900 individuals in December 2022 as Mimbula Phase 1 was completed and Mimbula Phase 2 construction activities commenced. The Group’s workforce in Zambia includes less than 3% of expatriate employees and the Group endeavours to recruit locally wherever possible, which supports its efforts to retain good standing in the local communities.

The Group strives to look after its workforce by offering attractive working conditions, including healthcare, competitive compensation and training schemes. In return, motivated employees often add value to the business through higher productivity and improved performance.

Extractive industries, including the mining industry, face challenges with regard to maintaining ethical standards and these challenges can be more prevalent in developing countries. A number of national and international initiatives and regulations exist in this regard, though the Company's board of directors does not view this area as a matter of compliance, but rather one of competitive advantage.

Moxico strongly believes in upholding the highest standards of ethics and integrity in all aspects of the business. The Group always strives to act ethically, transparently and responsibly, and expects its workforce and business partners to do the same. The Group is committed to bringing its assets into profitable operation while acting at all times with the highest integrity, and in so doing, will play a part in developing a culture of responsible operations that can be replicated by other operators and industries in Zambia and beyond. This is a key aspect of the Group's strategy and has been communicated to the Group's host governments and local communities.