

China Molybdenum Co., Ltd.

Att: Mr. Yuan Honglin

North of Yihe, Huamei Shan Road

Chengdong New District, Luanchuan County

Luoyang City, Henan Province

People's Republic of China

Brussels, 19.01.2021

RE. POTENTIAL IMPORT OF PHOSPHATE ROCK FROM WESTERN SAHARA TO COPEBRAS INDUSTRIA LTD

To the attention of Mr Yuan Honglin,
Chairman of China Molybdenum Co., Ltd.

Dear Mr Honglin,

We at Western Sahara Resource Watch (WSRW) are privileged to present you with our compliments.

We are writing to inquire about potential deliveries of phosphate rock from Western Sahara to China Molybdenum's subsidiary in Brazil, Copebras Indústria Ltd. We would be grateful if you could respond to the questions included below, preferably before 15 February 2021.

Late December 2020, the bulk carrier *Regius* (Marshall Islands, IMO 9737113) arrived at the port of Santos, Brazil, carrying an estimated 30,000 tonnes of phosphate rock. Half a year before, In June 2020, the *Lalis D* (Liberia, IMO: 9613666) arrived at the same port with around 33,000 tonnes of phosphate rock. Our organization also observed shipments on board of the vessels *Golden Bonnie* and *Wulin*, arriving to Santos during the months of April 2020 and October 2019.

We have reason to believe that the cargoes aboard these vessels were destined for Copebras. Our colleagues have physically tracked the trucks transporting the phosphate rock from the port of Santos to the Cubatão industrial area. Different sources on the ground told us that the cargoes were destined for Copebras.

We would be grateful for your answers to the following questions.

1. Can you confirm or refute whether some or all of the above-mentioned shipments were fully or partially destined for Copebras?
 - a. If affirmative, what volume did Copebras receive from Western Sahara during the calendar year 2020?
 - b. If affirmative, what type of purchase agreement does Copebras/CMOC hold with OCP SA, and when does it expire?

The Western Sahara phosphate trade is highly controversial. The United Nations consider Western Sahara to be a Non-Self-Governing Territory without an administering power in place. As stipulated by the International Court of Justice and repeated in four consecutive rulings by the European Court of Justice, Morocco has no sovereignty over or international mandate to administer the territory. Nevertheless, Morocco continues to militarily control three-quarters of the territory, including the Bou Craa phosphate

mines which are operated by Phosboucraa, a subsidiary of the Moroccan state-owned company *Office Chérifien des Phosphates*, OCP SA.

Incentivized by its exploitation of the territory's resources, Morocco has little interest to genuinely take part in the UN-mediated peace process. Meanwhile, the lingering conflict continues to have a high human and humanitarian cost: over 170,000 Saharawis are stuck in refugee camps in neighbouring Algeria, surviving in harsh desert conditions and dwindling humanitarian aid. Saharawis who live under the yoke of Morocco's occupation are victims of serious human rights violations that have been reported by the UN Human Rights Committee, in addition to credible international organisations such as Human Rights Watch, Amnesty International, and others.

Several large fertilizer producers/traders have stated that they do not wish to be associated with the phosphate production in occupied Western Sahara. Only a handful of companies are still involved in the trade today, as dozens have halted their imports over the last 10 years, due to legal and ethical concerns.

We would be most grateful for an answer to the above question before 15 February 2021. To be transparent, we wish to inform you that the shipments to Santos will be featured in our annual update report on the Western Sahara phosphate trade, which will be published in approx. April/May 2021. We believe that it is in the interest of your company that your relation to the trade is correctly reflected in that report, and that – if receipt of the cargoes is confirmed – your position on the matter is accurately described.

Please do not hesitate to contact us should you require any further information on the above-raised issue. We thank you in advance for your consideration and look forward to your response.

Sincerely

Sara Eyckmans

Coordinator, Western Sahara Resource Watch

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