

Land Access, Acquisition and Compensation Framework (LAACF)

Zinnwald Lithium Mining Project

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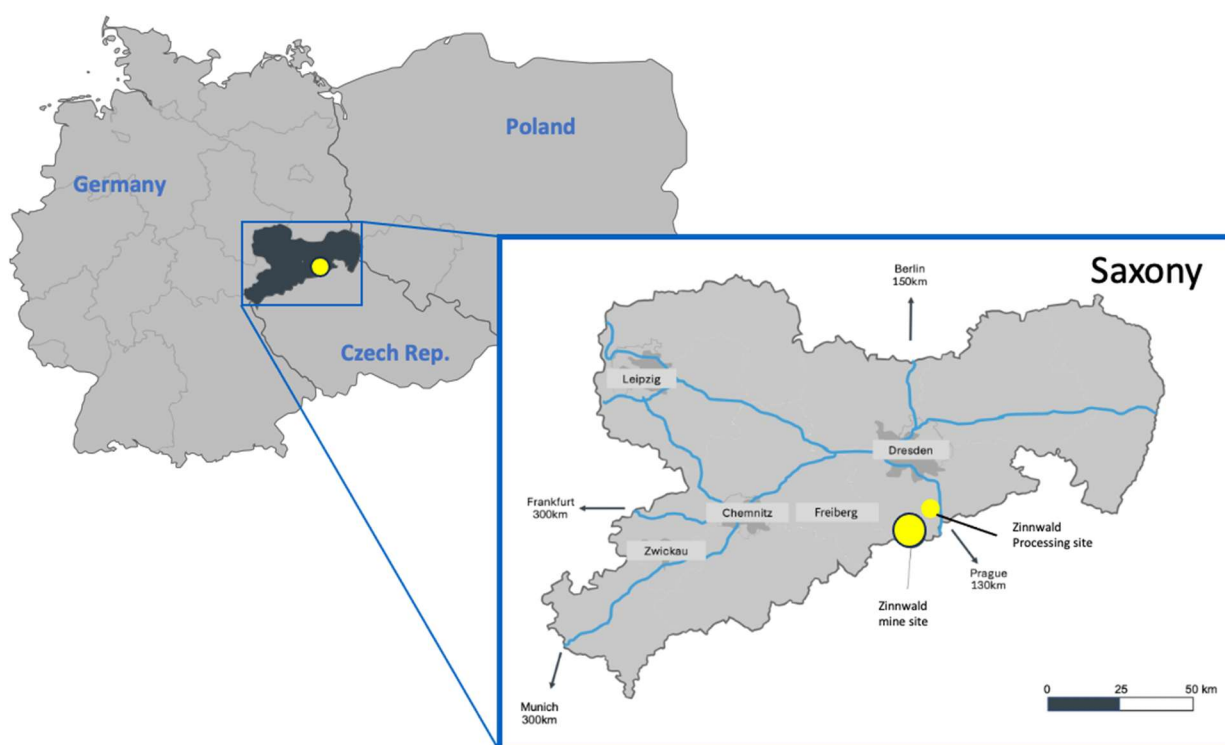
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1 Introduction

The Zinnwald Lithium Project (the Project) is a fully integrated underground mine and associated processing plant to produce battery grade lithium hydroxide. Zinnwald Lithium GmbH (ZLG) is developing the Project. The Project is located within the municipality of Altenberg in the Free State of Saxony in Germany (Figure 1). It is situated approximately 45 km from Dresden and on the border with the Czech Republic.

The Project will require for its above-ground facilities acquisition of approximately 121 hectares (ha) of land, comprising 115 ha near Liebenau village and approximately 6 ha in Zinnwald village. This will result in permanent impact on the current economic usage of the land but no resettlement of households from their residential dwellings (sometimes referred to as physical displacement) is required. The Project will also require some temporary access to land during its development, including for non-intrusive and intrusive surveys.

Figure 1: Project Location



1.1 Purpose and Scope

This document is the Land Access, Acquisition and Compensation Framework (LAACF) for the Project. It outlines the potential impacts, planned approach to land acquisition, the compensation and valuation principles and responsibilities to ensure no one affected by the Project's implementation is disadvantaged compared with current conditions. This document outlines how ZLG will consult and engage with affected people and parties during the land acquisition process and includes a grievance mechanism for Project affected people and other stakeholders to enable them to raise complaints and have them addressed.

The Project is being developed within the German and European Union (EU) legislative permitting requirements. It will also complete an Environment and Social Impact Assessment

(ESIA) to meet the standards of international financing institutions, including the EBRD Environmental and Social (E&S) Policy and Requirements (2024), EIB E&S Standards, Equator Principles 4 (EP4) and related guidance. This document has been developed to comply with these standards, and specifically with the EBRD E&S Requirement (ESR) 5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement).

The Project has completed its Pre-Feasibility Study (PFS) and the land acquisition is in its early planning stage. An initial census exercise to identify potentially affected land parcels and uses has been undertaken to inform this framework. Land and asset inventory surveys for the valuation and socio-economic surveys, along with a more detailed census are still to be completed.

This framework level document has been prepared to inform affected people and other stakeholders about the land acquisition programme. The consultation and disclosure of this LAACF will offer the opportunity to affected people and other stakeholders to comment. The LAACF will be updated to a plan level document called a Land Access, Acquisition and Compensation Plan (LAACP). The update will be undertaken once the surveys and valuation are complete, engagement with affected landowners and land users completed, and the Project further developed so the exact nature and scope of land acquisition and other project-related restrictions on land use are further defined.

2 Project Description & Potential Displacement Impacts

2.1 Project Description

Summary of Project

The Zinnwald Lithium Project is a fully integrated underground mine and associated processing to produce battery grade lithium hydroxide. The Project comprises several main elements: underground mining and crushing, followed by ore transport via a 9.1km tunnel to a mineral processing plant and tailings storage facility (TSF) near Liebenau, resulting in the production of battery grade lithium hydroxide monohydrate (LHM). The LHM product is supplied to manufacturers of cathode materials (e.g. Umicore, BASF), who in turn supply battery cell manufacturers.

The Project foresees a phased development: Phase 1's annual mining rate of approximately 1.6 million tonnes per annum would support production of approximately 18,000 tonnes per annum of LHM and is covered by the current permitting application process initiated by ZLG; and Phase 2 covering a possible ramp up, doubling capacity supporting output to peak at approximately 35,100 tonnes per annum of LHM which is not part of the current permitting application. Phase 2 would only proceed following a successful permitting and implementation of Phase 1 and would be subject to another independent full-sized future permitting and Environmental and Social Impact Assessment (ESIA) process.

The General Operating Plan (GOP) permitting procedure under the German mining legal framework for sites over 10 hectares requires an Environmental Impact Assessment (EIA). Such an EIA is typically focused on environmental aspects with limited integration of social, health and cumulative impacts. The Project ESIA will meet the requirements of the EIA for the GOP and, in addition, incorporate a comprehensive social, health and cumulative impact assessment to meet international financing standards and best practice. This ESIA will design mitigation measures to reduce, minimise, avoid or remediate negative impacts and measures to compensate or offset any residual impacts.

The current ESIA, permitting and land acquisition process is for Phase 1 of the Project. Some of the additional facilities for Phase 2 can be accommodated within the Phase 1 project footprint. The potential need for expansion of the Project footprint for Phase 2 is primarily around whether additional TSF capacity is required due to any potential insufficient sale of tailings (by-products) to third parties.

The Project is located in the municipality of Altenberg in the Erzgebirge (Ore Mountains), which form a natural border between Germany and the Czech Republic. Tin and tungsten have been primarily mined in the area over the centuries at various times. The lithium is contained in lithium-bearing mica, which worldwide is called Zinnwaldite and takes its name from the nearby village. The Project comprises six license areas that total almost 13,000 hectares, but the core license area where the Project's resource has been defined is the Zinnwald license. This is a mining license (Figure 2) covers 256.5 ha and is a 30-year mining license valid to 31 December 2047.

Need for Project

Germany and the European Union (EU) currently have no significant domestic sources of lithium, although the battery production in the EU is predicted to grow strongly. The Zinnwald project will contribute to fill this gap by providing a sustainable and domestic source of battery-grade LHM. This is crucial for Germany and the EU's independence from foreign lithium sources.

Key Project Components

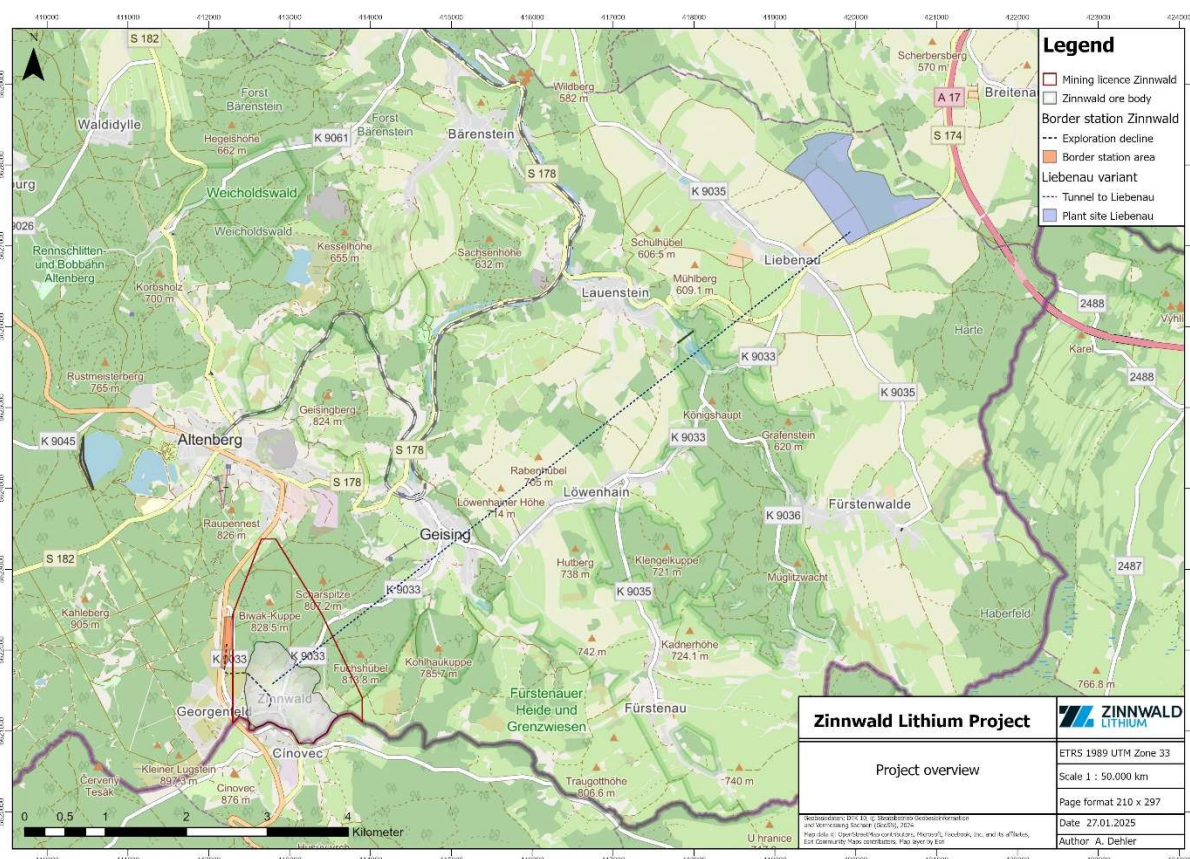
The location of the key Project components in context of the wider area are shown in the map below (Figure 2), including the communities of Zinnwald, Altenberg and Liebenau:

Underground Mine: The ore body and the resulting underground mine lie below the surface of the village of Zinnwald. The former border station to the northwest of Zinnwald has been identified as the location for the above-ground mine support facilities and the decline tunnel portal. The decline tunnel will run from the former border station to the underground mining area. Part of this tunnel will initially be developed for further exploration and bulk sampling for testwork and will later be extended to serve as secondary access to the mine. Large-scale underground mining will be undertaken with subsequent backfill using quartz sand produced during the processing stage. The mined ore will be initially crushed underground.

Ore Transport: The crushed ore from the mine will be transported from the underground mine at Zinnwald to the processing plant site near Liebenau via a conveyor system through a 9.1 km long ore primary transport tunnel. Materials to be used as backfill in the mine will be returned to the underground mine also using this tunnel.

Processing plant: The processing plant is proposed to be located near the community of Liebenau approximately 10 km from the ore body and adjacent to the A17 motorway from Dresden to Prague. The process for producing LHM product requires three main steps: beneficiation (wet-magnetic separation); pyro-metallurgy (calcination); and hydro-metallurgy (leaching and crystallisation). The processing plant, the TSF and other related infrastructure and facilities will be located at the site near Liebenau.

Figure 2: Project Overview & Local Communities



2.2 Summary of the Impacts of Project-Related Land Acquisition

The mining area will be underground, largely under the village of Zinnwald. As the mining operation is underground, there is likely to be only a minimal need for land use directly above the mine. Land will be required for the following above-ground facilities:

- Processing plant, TSF and other facilities near Liebenau (approx. 115 ha)
- Above-ground mine facilities and the decline tunnel portal at the former border station (approx. 6.3 ha)

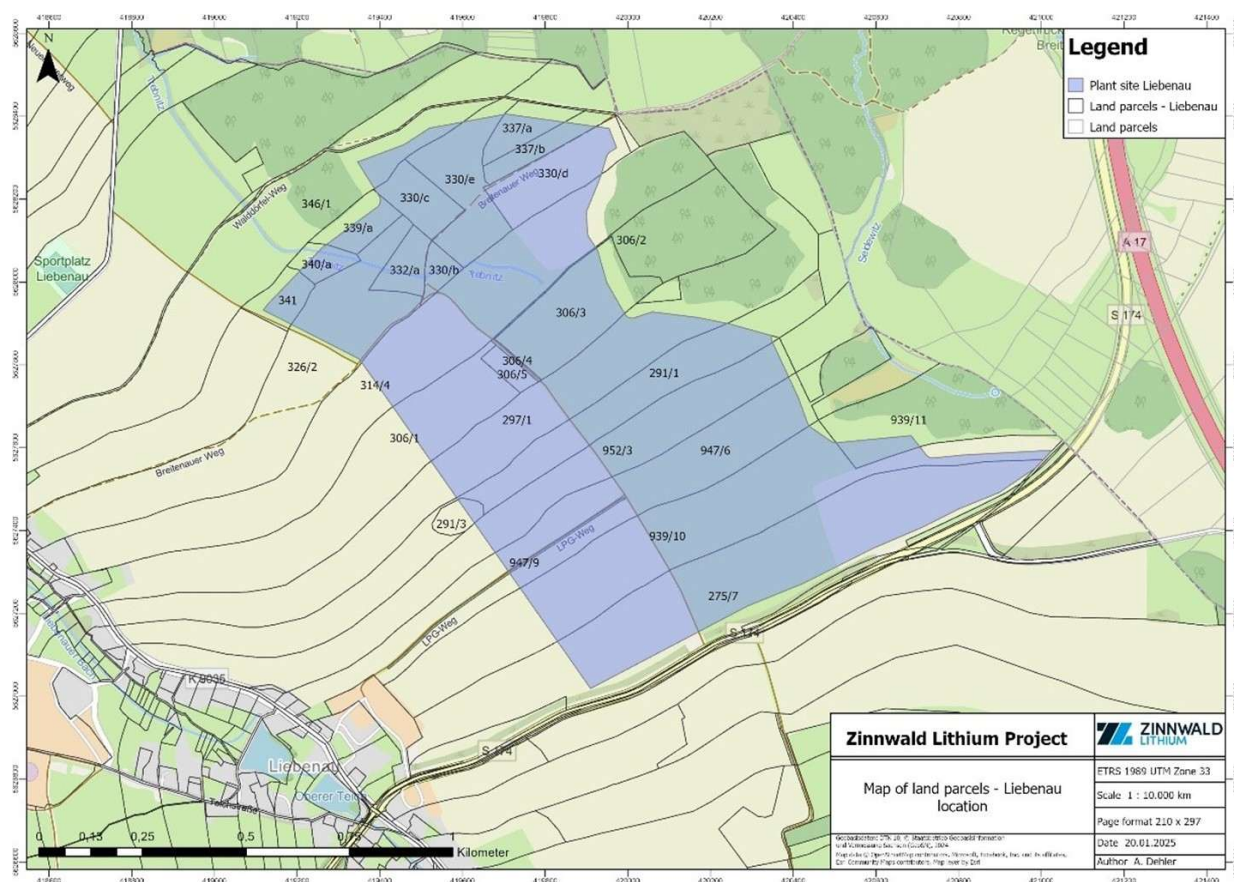
Potentially other areas of land will be required, such as for nature conservation compensation areas.

Processing Plant near Liebenau

The site for the processing plant and TSF has been identified near the village of Liebenau. The site is located in close proximity to the A17 highway from Dresden to Prague. Direct access can be provided to the site via the state road 174 that runs from the A17.

The terrain rises gradually to the north from the village and creates a natural barrier to the plant and TSF site. An area of approximately 115 hectares of agricultural land has been identified for the site (Figure 3). No forest needs to be cleared for facilities near Liebenau and there are no existing dwellings or structures on the site.

Figure 3: Processing Plant and TSF Site Affected Land Parcels



The site is currently mainly leased to a local agricultural society and is used as land for growing fodder crops for cattle with no dwellings or buildings on the land. Physical relocation of households from their dwellings has therefore been avoided during the site selection.

The land at the Liebenau site was used for agriculture before World War II. After the war, compulsory co-operatives were created and farming of the land restarted. After German Re-unification in the 1990s, the co-operatives were dissolved and the land was returned to the former owners or their next-of-kin.

Findings from the initial census, engagement and title searches on the land register shows the following:

- The land is owned by 17 owners/parties (16 private parties and one public party) and there are 25 affected individual land plots. Only part of some land parcels is affected, as indicated in Figure 3 and Table 1 below.
- 36% of the 115 ha of land is owned by individuals, 55% by partnerships of two or more individuals (some of them are thought to be family members), 6% by a state-owned company and 3% by other companies.
- There is an ongoing state-wide land consolidation procedure that includes Liebenau and the identified parcels of land may be reorganised. This process has been ongoing for more than 20 years. In case of ownership changes it would become necessary to identify the new owners. However, the land acquisition process would remain the same, regardless of the exact persons involved.
- Existing servitudes affecting the land are unconfirmed. A water pipe leading from the S 174 road to the village might have a servitude entered in the land register, which is currently being researched.

Table 1: Processing Plant and TSF Site Affected Land Parcels

Parcel number	Parcel Area (ha)	Project Affected Area (ha)	% of Land Parcel Affected	% of Total of Site
291/3, 306/3, 306/5, 939/11, 947/9	15	7	48%	6%
330/c	2	2	100%	2%
326/2, 330/e	21	11	37%	9%
939/10	21	15	71%	13%
339/a, 341	3	2	62%	2%
275/7	25	18	69%	15%
314/4	25	12	48%	10%
340/a	1	1	73%	1%
330/b	1	1	100%	1%
346/1	19	1	5%	1%
952/3	15	8	56%	7%
291/1	13	7	51%	6%
297/1	23	9	39%	8%
306/1, 306/2, 306/4, 330/d	25	9	36%	8%
337/b	1	1	82%	1%
947/6	16	10	63%	9%
332/a, 337/a	3	2	82%	2%
TOTALS	228	115		100%

Above-ground Mine Support Facilities and Decline Tunnel Portal at Former Border Station

The east side of the former border station located on the B170 federal road to the northwest of Zinnwald has been identified as the location for the above-ground mine support facilities and the decline tunnel portal. Approximately 6 ha of land is required (Figure 4).

The former border station land is owned by the city of Altenberg. Most of the land on the eastern side of the former border station is currently unused, with only some of the buildings being used by the Federal Police and as storage facilities. One of the buildings on the western side of the former border station is currently being used as accommodation for asylum seekers. However, land is not required by the Project on this western side.

Associated Facilities

Land access may be required for associated facilities (e.g. for connection of utilities, such as electricity, water and gas, to the sites). Information on associated facilities and any land access and acquisition required will be updated in the future LAACP.

2.3 Avoidance of Displacement during Project Development

EBRD ESR5 requires the avoidance and minimisation of project induced economic and physical displacement by exploring alternative project designs. The Project during the consideration of site locations and design has sought to meet this requirement and will continue to adopt this approach, for example:

- Avoidance of physical displacement and minimisation of impacts on livelihoods. All land access and acquisition for the Project for the above-ground facilities at the Zinnwald border station and processing plant site at Liebenau avoid physical displacement of households from dwellings and minimises impacts on livelihoods.
- Avoidance of direct impacts on the Natura 2000 Network and World Heritage Site protected areas (see Figure 5).
- The selection of a tunnel solution, rather than an overland conveyor, for the ore transport between the underground mine and processing plant reduces the land acquisition required. Thus, avoiding displacement impacts, as well as disturbance and impacts on local living quality, regional infrastructure, cultural heritage and nature conservation resources.
- Selection of the former border station (commercial and mainly surface sealed brown-field site) for above-ground mine support facilities and decline tunnel portal.
- Selection of a tunnel bored machine (TBM) construction method for the ore transport tunnel rather than drill and blast construction method. Under a drill and blast method, access and ventilation adits for the ore transport tunnel would be required. These additional adits would require land acquisition in two locations along the tunnel of a few hectares each. The sole portal for the selected TBM construction method can therefore be accommodated within the land identified for the processing plant near Liebenau.

2.4 Summary of Land Use & Socio-Economic Setting

Land Use

The region is generally a rural area mainly characterised by forestry, agriculture, tourism and small traditional and high-tech businesses. There are also residential areas around the main communities. Land uses affected by Project footprint are:

- Processing plant and TSF site near Liebenau: agricultural fields, cultivated pasture, or meadows.
- Above-ground mine support facilities and decline tunnel portal at the Zinnwald border station: the land use includes commercial.

Socio-Economic Setting & Local Communities

The Project is in the municipality of Altenberg.. The municipality covers an area of 145.8 km² and had a population as a whole of 7,851 as of 2023 (Rathaus-Altenberg, 2024). The principal local communities within the Project area include Zinnwald, Altenberg, Geising, Löwenhain, Lauenstein and Liebenau (Figure 2):

- Altenberg: With an approximate population of 1,968, serves as the administrative center.
- Zinnwald: Is a village with a population of 377 at an elevation, around 800 metres above sea level, and its landscape is characterised by forested hills, mountainous terrains and meadows.
- Liebenau: Is a village with a population of around 389. The terrain around Liebenau is undulating, with an elevation that contributes to a cooler mountain climate. To the north

and east, the landscape opens to more agricultural fields and forests, while to the west, the terrain rises toward Altenberg. The village itself is characterised by some historic buildings, farms and houses.

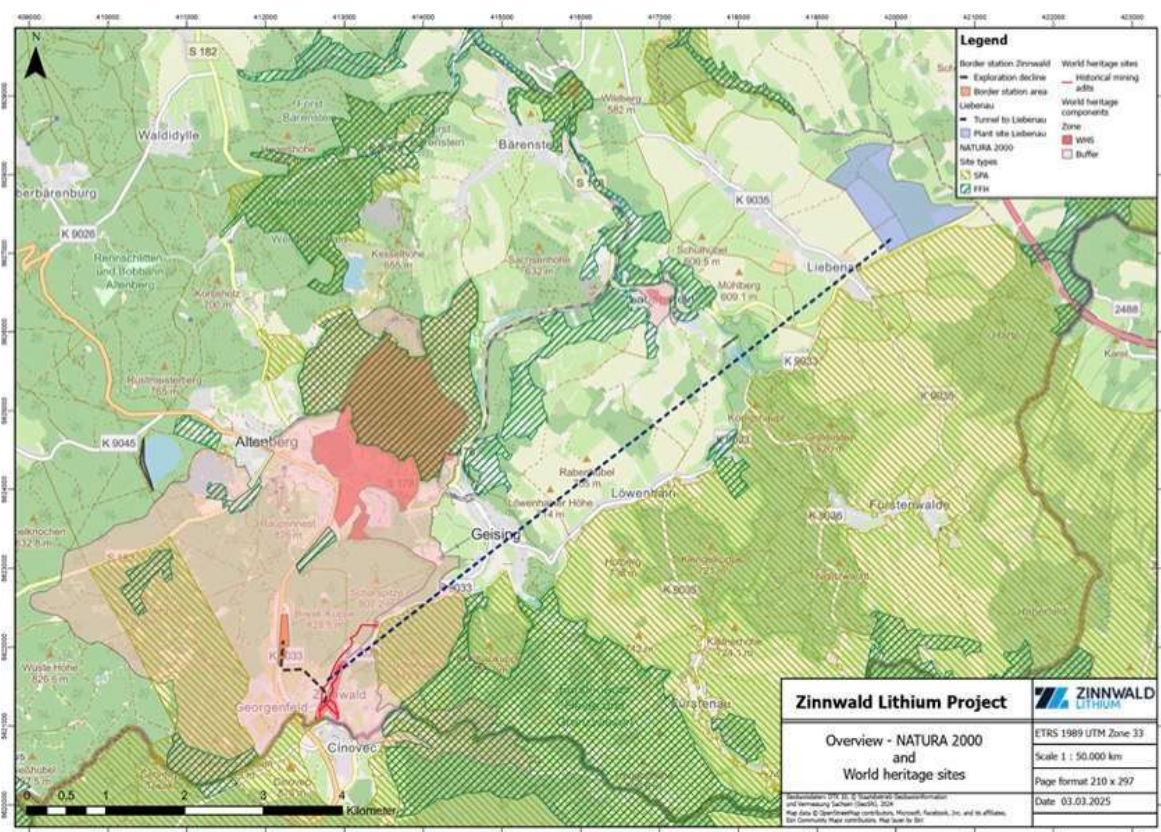
- Geising: Is a historical village with around 1,157 inhabitants with a well-preserved historic center.
- Löwenhain: Is a small village with a population of approximately 185 and part of Geising's administrative community.
- Lauenstein: A small historic town with around 515 residents dominated by the Lauenstein Castle.

Other indirectly affected communities are part of the neighbour municipalities of Bad Gottleuba-Bergießhübel and Glashütte.

Historically, the village of Zinnwald is known for its tin mining, which dates to the 14th century and the name "Zinnwald" translates to "tin forest," reflecting its mining heritage. The region enjoys a continental climate, with cold winters and mild summers. The Altenberg area is known for winter sports along with offering opportunities for other outdoor activities. The area around and including Zinnwald is a **state-recognized recreational resort**.

Zinnwald and Liebenau as part of the municipality of Altenberg are all located within the Oberes Erzgebirge nature preserve and the Geising-Altenberg flood development area. Within the vicinity of the Project area are a number of European and international protected areas and designations, including the Natura 2000 network and the UNESCO Erzgebirge / Krušnohoří Mining Region World Heritage Site, Figure 5. The Project has considered feasible alternative project designs and taken decisions that avoid direct and minimise impacts on these protected areas as well as avoiding impacts on dwellings and livelihoods.

Figure 5: Project context in terms of Natura 2000 Networks and World Heritage Sites



3 Legal and Regulatory Framework

3.1 Land Tenure in Germany

In Germany, land tenure operates under a well-defined legal framework, primarily regulated by the German Civil Code (BGB) and the Land Register Ordinance (GBO). Property ownership is legally recognised only after it is recorded in the land register, which commands public faith (§892 BGB). To complete a land purchase, a notarised certificate is required (§311b BGB), and ownership is officially transferred only upon registration in the land register (§873 BGB).

The land register has “public faith” which means that the rights and encumbrances recorded in the register are deemed correct and complete, even if they do not reflect the actual circumstances. Individuals who rely in good faith on the accuracy of these entries are protected, so security and reliability of real estate transactions are ensured.

3.2 Overview of Applicable German Land Acquisition Law

German law regarding land acquisition, compensation, and the restoration of livelihoods is based on established legal frameworks, including the Building Code (BauGB), the Civil Code (BGB), and other relevant laws related to land use and planning, such as the Federal Mining Act (BBergG). An overview of key aspects of the relevant legal framework for the real property assignment procedure is provided below:

- The rights of an owner are governed by Section 903 of the Civil Code (BGB). According to this, the owner of a property, unless restricted by laws or third-party rights, may dispose of their property at their discretion and exclude others from its use. This general regulation is limited by Section 905 of the BGB. According to this, property rights extend to the space above and below the surface of the property. The property owner has no right to freely mineable resources. The owner may though not prohibit actions that occur at a height or depth that have no significance for him.
- In the field of mining, special regulations apply. According to Article 67 of the Introductory Act to the Civil Code (EGBGB), state regulations on mining law remain unaffected. This means that property rights under the BGB can be supplemented or restricted by mining law. However, many of these state regulations were repealed by the Federal Mining Act (BBergG) and are now consolidated in Section 176 BBergG. These principles also apply to rights similar to property rights, such as leasehold rights.
- The Federal Mining Act (§ 77 BBergG) allows the so-called “real property assignment” under certain conditions, where the usage of land by a mining company can be ordered in a formal procedure. This is only possible if the land is necessary for the construction or operation of a mine, including related activities according to § 2 (1) BBergG, such as a processing plant.
- “Real property assignment” means the state assigns the use of and responsibility for the land to the miner. Real property assignment is subject to strict requirements. According to § 79 BBergG, the applicant must first have exhausted all other possibilities for land acquisition. This includes, for example, attempts to purchase, exchange, lease, or use the land through other legal agreements. Only when such efforts have proven to remain unsuccessful real property assignment can be requested.
- According to Article 14 of the Basic Law for the Federal Republic of Germany, compulsory acquisition is only permissible for the public good. It can only take place by law or on the basis of a law that regulates the nature and extent of compensation.
- Such a regulation is found in §§ 84 ff. BBergG. According to this, compensation must be provided for real property assignment. The compensation is granted for the loss of rights due to real property assignment and for other financial disadvantages arising from it. Compensation can be claimed from the assignment beneficiary by anyone whose rights are impaired by the real property assignment and who suffers financial loss as a result. If the party is entitled to compensation and the compensation payer/land acquirer cannot

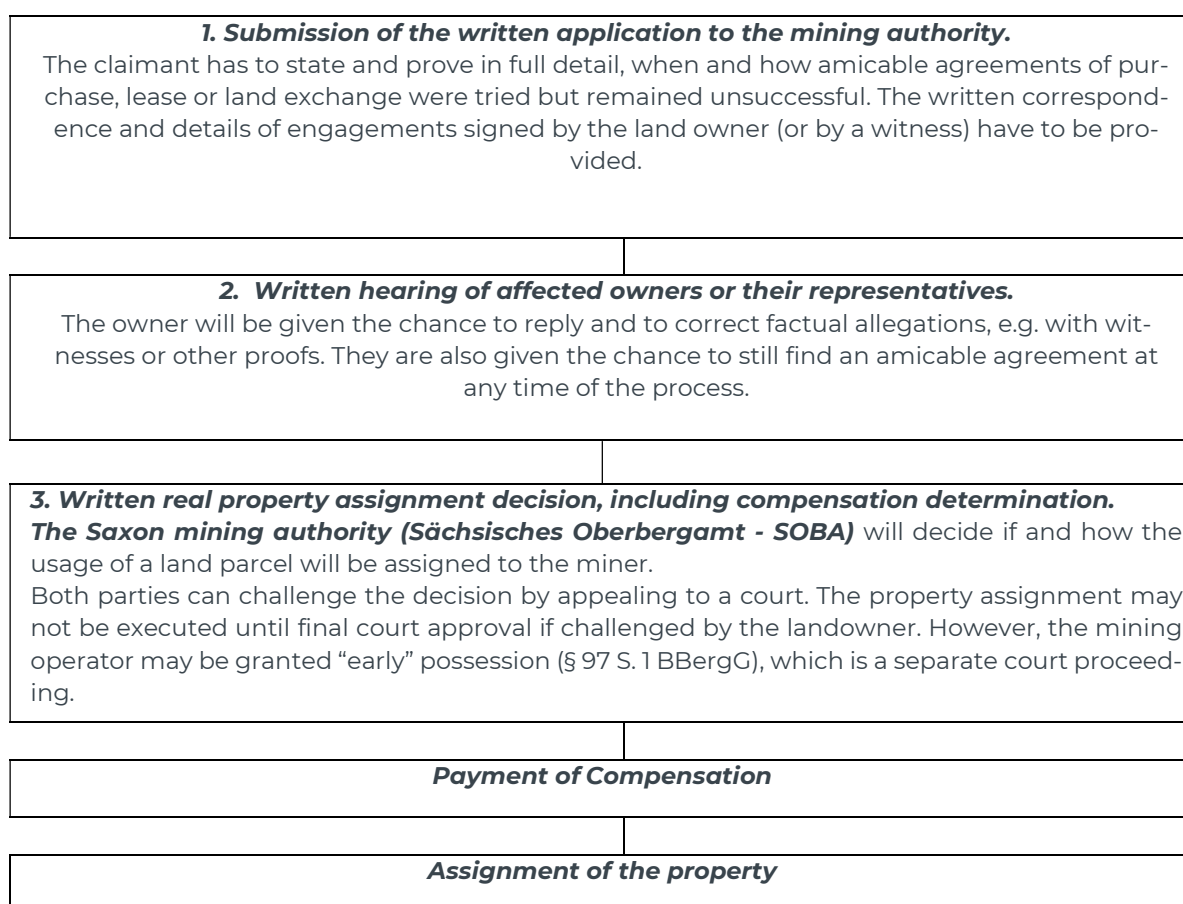
agree on another form of compensation, it must be set in monetary terms and, if necessary, be subject to interest or security provisions (§ 89 BBergG).

- Normally, if no ownership of the property is assigned, compensation is made in recurring payments at the market price for a lease or granted easements, otherwise a single payment of the market price for a sale.
- For determining the amount of compensation, the condition of the land subject to real property assignment at the time the responsible authority makes the decision on the real property assignment application is decisive.

Real property assignment Procedure

The Project will seek to acquire land by negotiated voluntary agreement with the owners (i.e. through a simple purchase) and only if all other possibilities to reach an agreement to acquire land for construction of operation of a mine have proved unsuccessful then real property assignment as a formal procedure in accordance with BBergG would be requested (§ 79 BBergG). The procedure is summarised in Figure 6.

Figure 6: Overview of Real property assignment Procedure



3.3 International Financing Standards (IFS) for Involuntary Resettlement

The Project is being developed within German and European Union (EU) legislative requirements and to meet the standards of international financing institutions, including the EBRD Environmental and Social (E&S) Policy and Requirements (2024), EIB E&S Standards, Equator Principles 4 (EP4) and related guidance. The Project and the land acquisition process is being

implemented to comply with these standards, and specifically EBRD E&S Requirement (ESR) 5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement¹.

EBRD ESR5 focuses on land acquisition, compensation, and the restoration of livelihoods. It requires that land acquisition and associated measures be designed in such a way that physical and economic resettlements are avoided or minimised. Key components of ESR5:

- To avoid or minimise involuntary resettlement wherever possible and document avoidance and minimisation efforts. If land acquisition is unavoidable, the project should explore alternatives that avoid or at least limit displacement or minimise the number of people affected.
- Affected people, in specific cases even regardless of whether they have formal legal claims to the land or not, should be compensated. This includes not only compensation for physical displacement (e.g., loss of housing) but also for economic displacement (e.g., loss of livelihoods or access to resources).
- Compensation should be based on the full replacement cost at market value. This means that affected individuals should be able to restore their standard of living to the level it was before resettlement, or better.
- Negotiated settlements will be used where possible to acquire land rights even if it has the legal means to gain access to the land without the consent of the seller. Qualified social monitoring experts may be engaged for certain projects to verify and document the negotiation and settlement process and assess its compliance with the requirements of this ESR 5.
- ESR places significant emphasis on the restoration of livelihoods. Projects must assist affected persons in their efforts to improve or at least restore their livelihoods and standards of living in real terms relative to pre-displacement levels. Measures may include training, employment, or access to alternative resources.
- A particular focus is placed on vulnerable groups, who may face greater challenges in restoring their livelihoods, and consideration of gender aspects.
- Affected communities should be consulted through transparent and participatory processes. They must be informed about their rights, compensation options, and resettlement plans.
- Mechanisms should be established to allow affected individuals to raise concerns and find solutions.
- Projects must establish systems to monitor the implementation of land acquisition, compensation and resettlement measures.
- Regular reports on progress and outcomes are required to ensure compliance with the ESR5 objectives.
- Restoration, alternative access route for community safety and compensation requirements for temporary land use and access restrictions due to construction.
- E&S assessment process shall include impacts and risks of land acquisition, land use restrictions and involuntary resettlement for associated facilities.

¹ Updated EBRD Environmental & Social Policy (ESP) including the ESRs was approved in Oct 2024 by the EBRD Board and applies to projects from 1 January 2025. This updates the previous EBRD E&S Performance Requirements (PRs) (2019).

3.4 Gap Analysis EBRD ESR5 and German Legal Framework

Table 2 provides a summary of the key differences between EBRD ESR 5 and the German legal requirements for land acquisition, and the planned measures to bridge these.

Table 2: Summary Gap Analysis (EBRD ESR5 v National Legal Requirements)

Aspect	EBRD ESR5 Requirement	National Legal Framework	Potential Bridging Measure
Compensation (Entitlement, Type and Reason) & Replacement Cost	ESR5 requires compensation for holders of both formal legal and informal land rights and users (including informal settlers). ESR5 includes compensation/entitlements for the loss of livelihoods and economic displacement, including in-kind (e.g. land-for-land) compensation where livelihoods of displaced persons are land-based. Payment of cash compensation in-lieu of land-for-land/in-kind compensation may be appropriate in certain instances (e.g. livelihoods not land-based; there is an active market for land etc.). ESR5 considers damage resulting from other types of land acquisition (e.g. through purchase). ESR5 mandates that compensation must be based on full replacement costs, including the value of lost assets and transaction costs.	Compensation is generally only provided to individuals with formal land rights or legal ownership. However, German law also stipulates that anyone whose property is compulsorily acquired suffers damage can be compensated. Primarily focuses on compensation for material losses (e.g. land, structures, assets of land etc.). Whilst land-for-land compensation can be offered in voluntary agreements it is general less preferred. Monetary compensation has to be set where another form of compensation cannot be agreed. Legal framework focuses on damage caused by real property assignment/acquisition of land. There are requirements for compensation for loss of natural resources. National process typically bases compensation on market value at the time of acquisition, which may not always include full replacement costs, especially in the case of informal assets.	Projects in Germany can provide compensation beyond the requirements of local law to comply with ESR5. This includes, in particular, fair compensation for individuals without formal land rights (e.g., informal users) and consideration of full replacement costs, as required by ESR5. The Project will undertake land acquisition in line with ESR5 and compensation will be calculated to meet the requirements of replacement cost. Whilst agricultural land will be acquired for the Project at Liebenau this land is mainly leased for cattle fodder production and is understood to be a relatively small percentage of the total land owned, leased and operated by the agricultural co-operative. It is envisaged therefore that monetary compensation would be offered and not land-for-land. This will be evaluated following the detailed surveys and findings reported in the plan level document.
Cut-off date for eligibility	Cut-off date either from applicable legislation or using the end date of the inventory or project delineation.	There is no cut-off date. For real property assignment the amount of compensation will be determined by the authority or the court, taking into account the latest expert opinion that is in the files.	For the negotiated process the date of the inventory shall be the cut-off date for assessment of compensation and assistance. Depending on negotiation this may be reviewed.
Livelihood Restoration	Livelihood restoration is a central component of ESR5.	Livelihood restoration is less explicitly addressed under national legal framework, which guarantees compensation for asset losses but does not require support for the restoration or improvement of livelihoods, such as job creation or alternative income opportunities.	Whilst limited impacts on livelihoods are anticipated in cases where livelihoods are affected, The Project will implement additional measures, such as training, support for business development, or access to new agricultural land, to meet ESR5's emphasis on restoring and improving the economic conditions of affected individuals.
Socio-economic surveys	Requires socio-economic surveys to describe the baseline circumstances of project-affected people.	Not required (<i>beyond those for the Environmental Impact Assessment</i>).	The Project will undertake socio-economic surveys of project affected communities and individuals. Additional census and livelihood information shall be included within these surveys.
Focus on Vulnerable Groups	ESR5 places particular emphasis on the needs of vulnerable groups to ensure they are not disproportionately affected by displacement.	Does not contain explicit provisions for the differentiated treatment of vulnerable populations in land acquisition cases.	The ESIA social baseline surveys, will include the identification of vulnerable individuals and groups. Assessment of potential impacts on these households/groups will be undertaken and tailored support mechanisms developed to address their specific needs and avoid them being disproportionately impacted by the Project.
Documentation and Monitoring	ESR5 requires projects to create land acquisition documentation. ESR5 requires monitoring and reporting on the impacts of land acquisition.	Such detailed land acquisition framework and plan documents and monitoring measures are only required when land acquisition is part of a specific planning process.	The Project has prepared LAACF which will be updated to plan-level document the LAACP. Close monitoring and reporting of the land acquisition process will be undertaken.

Aspect	EBRD ESR5 Requirement	National Legal Framework	Potential Bridging Measure
Meaningfully Consultation and Participation	Disclosure of framework, plans, rates, entitlements and options etc. Meaningful engagement and participation during land acquisition. Negotiation including on content of compensation package and options.	Some engagement and disclosure of information (e.g. public participation legal requirements). In practice negotiation requires engagement with affected persons in order to amicable agreements before resorting to real property assignment. Meetings with affected persons mandated during the process.	The Project is undertaking extended consultation processes to ensure that affected individuals are well-informed, have the opportunity to participate in decision-making, and have access to grievance mechanism. A Stakeholder Engagement Plan (SEP) has been prepared and will be disclosed.
Grievance Mechanism	Establishment of dedicated, easily accessible, and no-cost grievance management mechanism.	No dedicated project grievance resolution mechanism. Legal recourse mechanism available at various Government levels with a final recourse to Court.	Establishment of the Project's grievance mechanism. Does not affect ability of complainant to access legal and administrative recourse mechanisms.

4 Land Acquisition Key Principles, Objectives & Process

4.1 Key Objectives & Principles

The objectives of the ZLG's approach to land access and acquisition are:

- Avoid involuntary physical resettlement. Avoid or minimise involuntary economic displacement. Avoidance of real property assignment.
- Consider feasible alternative project designs to avoid or at least minimise displacement impacts, while balancing environmental, social and financial costs and benefits.
- Mitigate adverse social and economic impacts resulting from land acquisition or restrictions on affected persons' use of and access to land.
- Provide compensation for loss of land and assets at or above full replacement cost to affected persons.
- Improve or, at a minimum, restore the livelihoods where they are affected and standards of living of displaced persons to pre-project levels.

As noted in section 3.4 above, the key principles which underpin this LAACF and shall be followed during the Project implementation are as follows:

- Compensation: for all affected persons according to German law and International Financing Standards (specifically EBRD ESR 5) requirements. All owners, occupants/tenants and users of affected land at the time of the relevant cut-off date, whether with or without fully recognised legal rights or claim, are eligible for compensation and assistance as specified in the Entitlements Matrix in the LAACF. Entitlements of all categories of Project Affected Persons (PAPs) will be established.
- Negotiated settlements: will be used where possible to acquire land access and land rights. Real property assignments will only be requested to be used where all other possibilities to reach an amicable agreement have failed.
- Compensation payments: will be made before land access.
- Socio-Economic surveys, detailed censuses and asset inventories: The plan level document will be informed by some additional socio-economic survey/census work and land and asset inventories and the valuation. This will build on the work undertaken to-date for this framework.
- Valuation: methods will be used to value affected assets or resources, or the access thereto, and livelihood impacts, in line with German legislative and ESR5 requirements involving certified experts who are independent qualified parties.
- Compensation and assistance measures: All damages will be compensated in money and additional assistance will also be provided where identified in the Entitlements Matrix. Compensation for all affected assets will be provided at or above full replacement cost. All compensation and livelihood restoration assistance will be provided regardless of the receiver's gender, parentage, race, language, homeland and origin, faith or religious or political opinions.
- Livelihood Restoration: Whilst limited impacts on livelihoods are anticipated in cases where livelihoods are affected, the Project will implement additional measures.
- Construction impacts: related to temporary occupation of land for construction purposes and loss of and/or disruption to access may also trigger compensation or other assistance to affected persons. Construction related activities will be organised in a way that avoids and minimises economic displacement, i.e. by ensuring access is maintained to agricultural land and effects during key planting and harvest periods are carefully managed.
- Vulnerable groups/individuals: During the land acquisition process and related stakeholder engagement activities, particular attention will be paid to gender aspects and needs of vulnerable individuals/groups.
- Consultation, participation and disclosure: Affected persons and communities will be consulted to facilitate their early and informed participation in decision-making processes related to the land acquisition, eligibility, compensation and assistance and ensure that acquisition and compensation activities are implemented with appropriate

disclosure of information and consultation. This shall be carried out in line with the provisions contained within the Stakeholder Engagement Plan (SEP).

- Grievance mechanism: will be established for the Project by ZLG (and the Contractor(s)).
- Reporting, monitoring and record keeping: ZLG will establish appropriate procedures to report, monitor and evaluate their responsibilities in the implementation of the LAACF and plan level document.

4.2 Land Acquisition Process Overview

Project Preferred Option for Securing Land Rights

Land can be acquired by purchase, exchange, tenure, personal or restricted personal easement or by real property assignment:

- **Purchase:** Leads to ownership of the land and therefore to the widest range of usage options.
- **Purchase option:** The owner can be paid for a sales option. As long as the land is not needed for the Project they will be paid an annual payment for not selling it to anyone else for a certain period of time. This period is generally for a few years and is determined during the negotiation process..
- Exchange option: If a purchase is not possible, the land could be exchanged with other land. ZLG does not have any land to exchange, so the land being offered in exchange would have to be purchased. Real property assignment is not possible for these land parcels.
- Usufructuary leasing: Leasing the land as an alternative to purchase, is not preferred because the life of mine (LOM) of the Project has scope to be potentially more than 30 years, and it will not be feasible to restore land to its original state. Also, if landowner is subject to an enforced action under civil law for recovery of any debts the lease could be cancelled at short notice. A lease of more than 30 years can be cancelled after 30 years and parties cannot validly contract out of this right. In any case lease contracts would need to be secured in the land register safeguarding rights and entitlements for the usage of the land or property in favour of ZLG. These servitudes, easements and pre-emptive rights must be structured to be in the highest order of the land register favouring ZLG and to survive the termination of a lease. Lease contracts will be established considering a transfer period as well for as long as the land is not needed for the Project.
- Servitude/easement: Apart from being sufficient for the short-term activities (e.g. exploration and certain other construction activities) this option without an underlying lease contract is not preferred for the Project as such a right standing on its own often cannot be transferred to another party. Depending on the type of easement (usufruct or personal) there can be restrictions on the right of use. An easement can be affected by legal actions and claims of rights in the land register.
- Real property assignment: The formal process of real property assignment is a possibility open to the Project if all efforts to buy or to use the land under reasonable conditions fail. The real property assignment can occur via compulsory acquisition using a compulsory personal easement or in certain cases even expropriation, with the condition that the market price is paid.

Secure land rights will be required on a permanent basis for the above-ground facilities, so ZLG considers that **purchasing** the land required for the Project is the preferred option. This may include where possible agreeing an option to purchase (or '**Purchase Option**'). If that is not possible an exchange of land would be the second preferred option, while a lease contract combined with pre-emptive rights and a restricted personal easement or usufruct would be third. A lease without these registered rights in the land register is not a preferred option for the permanently Project required land. Acquiring land via compulsory acquisition (using compulsory acquisition powers) would be the last resort.

For the exploration use of land at the former border station a lease agreement with the City of Altenberg is currently being negotiated. Ultimately, the Project would prefer to purchase the land for the operational above-ground mine support facilities and decline tunnel portal.

All landowners will be given the possibility to sell the whole of their parcel of land in case they are not interested in a sale of only a portion.

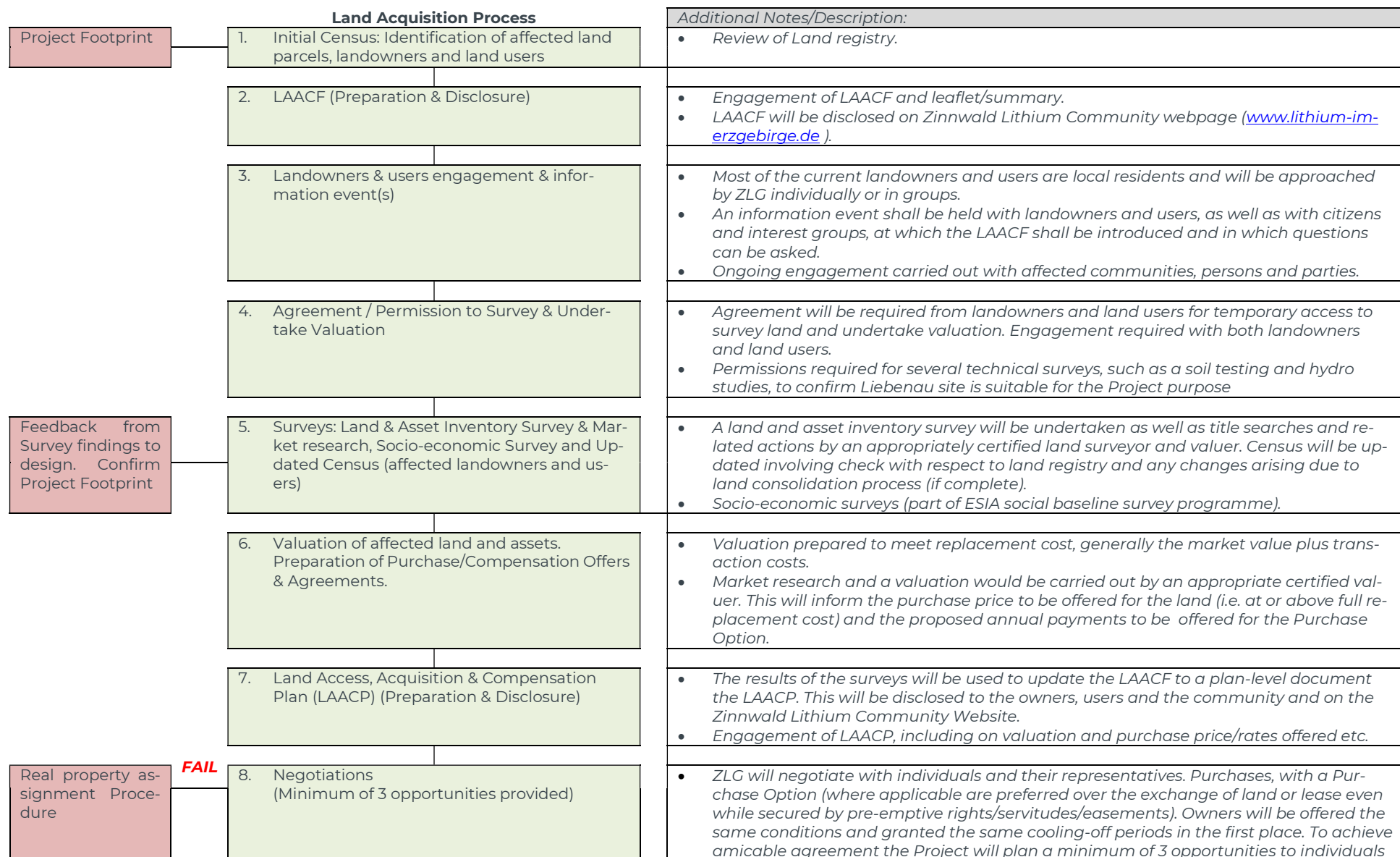
Land Acquisition Process

The process to acquire land and determine purchase price/compensation contains several steps. The high-level process for land acquisition is presented in Figure 7 below.

For the land required at the former Border Station, if this land is purchased ultimately this process may be simplified, given that it is owned by the municipality.

As stated above, the Project's preferred approach for acquiring land rights is via negotiated settlements. Compulsory acquisition will and can only be requested should the process to reach amicable agreements fail. If a compulsory process is used this will follow the procedure outlined above in Figure 6.

Figure 7 : Land Acquisition Process (Negotiated Voluntary Agreement)



			for negotiations. They will be offered the option of an independent valuation. Compensation offered will be structured to meet the requirements of the legal framework and EBRD ESR5. The contracts will be prepared, and a withdrawal period of 14 days at no cost will be granted before notarising the contracts. For the purchase, a notary is needed, and the property cannot be acquired without previous payment of the whole price to the notary. The notary costs will be borne by the ZLG.
	SUCCEED	Signing of Purchase Contracts/Comp. Agreements	
	9.	Payment of Compensation/Purchase Price and/or delivery of Other Entitlements	
		Transfer of Land Rights & Titling	- All titling costs, including sub-division, will be borne by ZLG. - Where the negotiated agreement process to acquire Project required land has exhausted all options, only as a last resort will the Project request the use of compulsory expropriation / real property assignment, described in Figure 6.

5 Compensation & Livelihood Restoration Strategy

5.1 Eligibility & Categories of Project Affected Persons (PAPs)

Under Section 84 of the Federal Mining Act (BBergG), anyone who suffers an economic disadvantage due to real property assignment is entitled to compensation. According to ESR5, in addition to those affected by land expropriation (compulsory acquisition), anyone who suffers an economic disadvantage due to any other form of land acquisition (e.g., including purchase) must also be compensated and/or may be entitled to other forms of entitlements as outlined in the Entitlement Matrix (Table 3). The main categories of landowners and land users identified at this stage are as follows:

- *Owners of land (formal with legal rights or claims over the land)*, including:
 - Private owners (individuals, partnerships and families) (e.g. processing plant affected land parcels near Liebenau that are owned by individuals (36%), partnerships of two or more individuals (55%) (some of them thought to be family members).
 - Municipality (e.g. city of Altenberg that owns the former border station)
 - State (Federal Government (Bund) and States (Länder): (e.g. state-owned company that owns processing plant affected land parcel near Liebenau) (6%)
 - Companies (e.g. company owns processing plant affected land parcel near Liebenau) (3%)
 - Mortgage creditors
- *Formal users of land - Tenants* (e.g. agricultural tenant who leases land affected by processing plant site near Liebenau)
- *Owners of businesses (business/economic activity)* (e.g. agricultural tenant who leases land affected by processing plant site near Liebenau)
- *Owners of non-residential structures/assets and infrastructure.* No residential structures are affected by the Project footprint and ZLG have committed to no direct physical displacement.
- *Owners of crops and trees* (affected by land acquisition) (e.g. agricultural fodder crops)
- *Local community and individuals/households affected by loss of access and/or disruption of access.*
- *Beneficiaries of Easements:* Some rights of way may be lost (e.g., relocation of water pipe).
- *Causal economic disadvantage: Villagers Without Ownership of the Affected Land and adjacent agricultural operations:* If a person can demonstrate causality, e.g., a drop in property prices due to land acquisition or crop losses or damage to agricultural machinery due to windblown debris, compensation will be paid for the difference according to Section 823 of the Civil Code (BGB). No causal economic disadvantage has been identified currently, however, to cover this risk and legal responsibility this is included within the Entitlement Matrix.
- *Other users and/or interest groups:* In addition to agriculture, hunting and preservation of environment also plays an important role in the local area. There may be other user groups in the local area to the Project affected land e.g.:
 - Recreational users (limited use envisaged of the Project affected land though)
 - Hunters: Use the fields and forests for hunting and are often also involved in wildlife management and land conservation ((known to use the area around the site near Liebenau)
 - Recreation Seekers: leisure activities such as hiking, cycling, or walking. (Limited use envisaged of the Project affected land though)
 - Environmentalists: Advocates for the protection of nature and biodiversity.

No informal / unlicensed users of land (i.e. with no formal legal rights or claims over the land they use) have been identified currently. This will be confirmed during the further studies and included in LAACP Entitlements Matrix if required.

Temporary impacts on land and access may also occur during pre-construction (e.g. for exploration) and construction. Such temporary access will only be by amicable agreement of

land owners and user (where applicable). Access contract/agreements will be prepared where necessary. Under these reasonable payments for use of land for the agreed period will be committed to and reinstatement of land after use.

Vulnerable Individuals/Groups

ZLG will use community consultations and the surveys during land acquisition processes to identify any vulnerable persons or groups. The LAACP will provide updated information on this matter. The Company will take necessary actions to ensure that vulnerable groups are not disadvantaged in the land acquisition process, are fully informed and aware of their rights, are able to be effectively involved and are able to benefit from the assistance opportunities and benefits.

5.2 Monetary & In-Kind Compensation

Monetary compensation is the proposed option for compensation for loss of land and not land-for-land (i.e. purchase or purchase option rather than the exchange option). This will be further evaluated following the detailed surveys, engagement and findings reported in the, the Land Access, Acquisition and Compensation Plan (LAACP).

Monetary compensation will be paid electronically. Physical cash payments are not good practice and are not an option, as amounts over €10,000 cannot be paid in cash within the EU due to anti-money laundering regulations.

ZLG does not own land that could be offered for exchange. Land for exchange would have to be first be purchased under market conditions. Land for exchange cannot be assigned by compulsory real property assignment later. Another route, if requested by the PAP, is that ZLG will provide support to them in identifying and acquiring replacement land. The landowner would directly acquire the land, and ZLG will handle the negotiations and pay the purchase price. This approach ensures that the landowner is not burdened with lengthy negotiations.

5.3 Valuation of Affected Land & Assets

To ensure an objective and transparent determination of compensation, a certified valuer will be commissioned to undertake market research, assess the affected land, inventory the affected assets (e.g. land, crops, trees, non-residential structures etc.) and estimate the expected losses in land management before the Project begins.

Section 40 of the German real property assessment regulation (Immobilienwertermittlungsverordnung (ImmoWertV)), regulates the process of land valuation. Initial research indicates that significant changes in land values are not expected in the short and medium term. The Zinnwald mining site is located in a rural residential village within a wider tourism area, and the areas to be acquired here are minimal. The Liebenau processing site is located in an area that is characterised by agricultural land use.

In line with EBRD ESR5, valuation will be prepared to meet full replacement cost as a minimum, generally being the market value of land plus transaction costs. Valuation of other entitlements (e.g. loss of business/disruption of business, crops, tree etc) will be included within the scope. The valuation would inform the purchase price to be offered to PAPs during the negotiations.

The valuation is scheduled to take place during 2025. The costs for this expert service will be fully covered by ZLG. To allow for an efficient and prompt assessment, early and unrestricted access to the land by the expert is required. The results of the expert's work will serve as the basis for calculating individual compensation payments to be offered and will be made available to landowners and operators.

5.4 Livelihood Restoration & Additional Support

Whilst limited impacts on livelihoods are anticipated, in cases where livelihoods are affected, the Project will implement additional measures, to meet ESR5's emphasis on restoring and improving the economic conditions of affected individuals. Such measures may include:

- Access to training, skills development and employment opportunities created by the Project.
- Support and assistance for business disruption and/or re-establishing business activities and business/enterprise development.
- Support to access alternative agricultural land.

In confirming the assistance measures for livelihood restoration, the findings of the socio-economic surveys and engagement with institutions and organisations will be considered. The LAACP will focus on identifying livelihood assistance measures that will be sustainable and provide ongoing benefits, so they can help improve livelihoods, rather than a one-off Project compensation payment.

Potential Impacts on Adjacent/Surrounding Agricultural Land

ZLG commits that the mining and processing operation will be planned and implemented in such a way to minimise impacts on livelihoods of the affected population. In particular, measures will be implemented to ensure that agricultural businesses in the region can continue their operations and do not suffer any losses in their yields due to the Project. Through careful planning and the use of best available technologies, the aim is to minimise environmental impacts and preserve natural resources. The goal is to establish an environmentally sustainable mining operation that is both economically successful and ecologically compatible.

A special focus of the Project is on progressive, concurrent reclamation. This means that restoration measures for the landscape and soils will be taken during the active mining phase. As a result, the reclamation periods will be significantly shortened, and the interventions in nature will be minimised. Impacts on agricultural, forestry and property land directly affected by operations have been minimised for example by using the former border station, the underground mining operation where primary crushing is carried out underground and the use of a tunnel solutions for ore transport as opposed to an overland conveyor or transport solution. The Project is working closely with the Free State of Saxony to identify additional compensation areas. If available, these areas will be made available to the affected farmers to compensate for potential losses and to maintain agricultural production.

5.5 Entitlements Matrix

The Entitlements Matrix for the Project land acquisition programme is presented in Table 3. This presents the planned compensation and assistance that Project Affected Persons (PAPs) will be entitled to for the different types of loss associated with economic displacement resulting from the Project. This will be updated following the surveys, engagement and valuation in the LAACP.

No informal / unlicensed users of land and no impacts on residential properties have been identified currently, so are not covered within the Entitlements Matrix. This will be confirmed during the further studies and included in LAACP Entitlements Matrix if required.

The Project's preferred approach is to purchase land and hold title for the required land, as described above.

Table 3: Entitlements Matrix

Type of Loss/Impact:	Category of Project Affected Persons (PAPs):	Entitlements / Mitigation – Compensation and Assistance
Permanent Land Take		
Loss of Land (mainly agricultural and mixed-used (i.e. former Border station))	Owners of land – (formal owners with legal rights or claims over the land) (private, state, municipality, companies)	- Monetary compensation at or above full replacement cost, generally market value with transaction costs, based on certified valuer assessment and market research. On request, support to purchase replacement land. - All transaction costs (including notary fees, registry fees, re-titling/title sub-division costs and valuers' fees). - The right, where possible, to harvest/salvage any standing crops and trees owned by landowner.
	Mortgage creditors	Fulfilment of the underlying claims, unless over-secured, in which case the compensation to the owner (above) will be reduced accordingly.
	Formal land users (e.g. a tenant with formal legal right)	- Monetary compensation for the loss of income in case the tenant's lease can be and is cancelled. Including if applicable the right to harvest/salvage any standing crops and trees - Consultations and provision of information about the acquisition of the property.
Orphaned Land/ remaining land i.e. remaining part of affected land plot not economically viable	Owners of land (formal with legal rights or claims over the land)	If a request of the affected owner of land is made and has been declared as being justified based on the expert valuation report, the PAP will receive monetary compensation at full replacement cost for orphaned/remaining land within land parcel (as detailed above).
Loss of annual/perennial crops and trees.	Users of crops and trees (e.g. tenant who farms fodder crops on process plant site)	PAPs will be allowed, where possible, to harvest standing crops prior to Project taking land access following securing ownership of land. Where they are lost, monetary compensation for lost profit, reduced by saved expenses, will be paid.
Loss/disruption of business or source of income associated with above losses.	Owners of businesses (business/ economic activity) (e.g. agricultural tenant who leases land affected by processing plant site near Liebenau)	- Monetary compensation for lost net income during the initial period of transition which will be included in purchase offer (e.g. until the re-establishment of agricultural business/economic activities, which should be within the first season post-relocation). - Livelihood restoration assistance (see below).
Loss of Non-Residential Structures (e.g. sheds, barns, fences, irrigation systems, buildings at border post)	Owner of non-residential structure and infrastructure (both formal and informal) (e.g. buildings on east side of the former border station).	Monetary compensation at or above full replacement cost and moving allowance for movable assets or assistance to move them.
Impacts on easements / rights or way (RoW) (e.g. relocation of water pipeline).	Beneficiaries of easements	Some rights of way may be lost; compensation will depend on the nature of the easement, e.g., relocation of water pipes, and will be assessed by certified valuer. Project will divert such services and all costs associated with diversion of

Type of Loss/Impact:	Category of Project Affected Persons (PAPs):	Entitlements / Mitigation – Compensation and Assistance
		easement/RoW, including transaction and legal costs (including notary fees, registry fees, re-titling/title sub-division costs and valuers fees).
Causal economic disadvantage (e.g., a drop in property prices due to land acquisition or crop losses or damage to agricultural machinery due to windblown debris)	Adjacent villagers (with or without ownership of the affected land) Adjacent agricultural operations	Compensation will be paid for the difference according to Section 823 of the Civil Code (BGB)
Land for compensation of natural resources	Owners of land Users of land (formal)	This land can only be purchased voluntarily and compulsory powers cannot be used. Compensation/purchase price offered for this land and other entitlements for this land will be inline with the compensation and assistance offered above to land users and owners of Project required land.
Temporary Land Access		
Temporary loss of land - required during acquisition or the construction period i.e. land that is required for construction only such as construction access/ storage areas/compounds/ welfare facilities).	Owners of land – (formal owners with legal rights or claims over the land) (private, state, municipality, companies)	- Reasonable payments for use of land for the period as agreed in contract/agreement. - Any damaged/lost assets on land (e.g. crops, trees etc.) resulting from the temporary access would be compensated for as detailed above under entitlements for permanent land take. - Reinstatement of land after use.
	Formal users of land	- Consultations and provision of information about temporary impacts on land and project details at least two months in advance of land entry. - Any damaged/lost assets on land (e.g. crops, trees etc.) owned by land user resulting from the temporary access would be compensated for as detailed above under entitlements for permanent land take.
Loss of access and/or disruption of access.	Local community and individuals/households affected by loss of access and/or disruption of access.	Avoidance and minimisation of impact through good traffic and logistic management and engagement. Alternative access shall be provided. Loss of and/or disruption to access may also trigger compensation or other assistance to affected persons.
Vulnerable PAPs		
Any other specific losses / impacts on vulnerable groups, associated with land acquisition identified during the survey and development of the LAACP	Vulnerable groups / individuals	- Special measures for effective participation, compensation, resettlement - and livelihood restoration, will be defined in the LAACP to cover all potentially affected vulnerable groups.

6 Public Consultation & Disclosure

6.1 Previous Consultation

ZLG continues to undertake regular engagement with local communities (e.g. Zinnwald, Altenberg, Liebenau, etc.) and other stakeholders (e.g. local mayors, Altenberg city council, Free State of Saxony stakeholders, Federal Government authorities including Sächsisches Oberbergamt (SOBA) etc). In recognition of how important community relations and engagement are, ZLG has established its headquarters including a public information centre and the core shed, in Altenberg. The Company has established a local German language community website (www.lithium-im-erzgebirge.de) to enable the local community to access Project information easily and to support participation by providing channels for questions, views and concerns to be raised and answered.

A brief summary of interactions with key stakeholders and stakeholder engagement activities on the Project over recent years since 2023 is provided below:

Table 4: Summary of Previous Engagement Activities

Stakeholder	Summary of Previous Engagement Activities
Local Communities – including Zinnwald, Altenberg, Bärenstein, Liebenau	• 2023: Information event at Zinnwald town hall that outlined the drilling campaign and future development plans. Dedicated community relations campaign for drilling including regular meetings with community representatives. • 2024: ZLG established its headquarters at Altenberg. • An open day in June was held at the facility attended by more than 300 people from the area. The Project concept and its various components were explained and described in an interactive forum. • Active ongoing engagement with Mayor of Altenberg whose jurisdiction covers all the communities potentially impacted by the Project. • 2024: ZLG held information events with citizens of Bärenstein and Liebenau and also started discussions with the local farming co-operative. • 2024: Meetings with the citizens' initiatives of Zinnwald, Bärenstein and Liebenau. • 2024: Ongoing meetings with local businessowners to discuss the impact of the project on the region and local businesses. • 2025: Town hall event in Altenberg to explain the publication of the Project PFS and the focus on Liebenau as the preferred processing plant location. The previous option of locating processing plant in Bärenstein is no longer under consideration.
Local administrative units	• 2024: Meeting and project presentation with mayors of administrative district of Saxon Switzerland-Eastern Ore Mountains • 2024: Project overview for elected new city council of Altenberg
Free State of Saxony	• SK Sachsen (Saxon State Chancellery) and SMWA (Saxon State Ministry of Economic Affairs, Labour and Transport): engagement on project, status, plans and challenges • Sächsischer Landtag (parliament of the Free State of Saxony): informing of MPs about the project, its status, plans and challenges
Federal Government	• 2024: Project presentation to and discussion with Chancellor Scholz (SOBA visit).
Media	• Regular informing local media (press releases, press appointments and briefings) and professional management of national and international media inquiries • New community website (www.lithium-im-erzgebirge.de).
Europe	• 2024: Project presentation and intense dialog with visitors from Serbia • 2024: Project presentation to and discussion with Chancellor Scholz and President of Serbia, Alexandr Vucic

6.2 Planned Future Engagement & Disclosure

LAACF Disclosure

ZLG intends to disclose all relevant information and documents to the public, including this Land Access, Acquisition & Compensation Framework (LAACF). A summary leaflet of the LAACF will also be prepared and disclosed. No confidential personal information will be contained in the LAACF and LAACP.

This document will be available in German and English languages. Stakeholders will be able to access the LAACF and other disclosed documents on the ZLG Community website (www.lithium-im-erzgebirge.de). In addition, hard copies will be available in the following locations: ZLG Office Altenberg, ZLG Office Dresden and Altenberg, Bad Gottleuba-Berggießhübel and Glashütte Municipality.

Announcements to inform the public and stakeholders on the time, date and location of Project public meetings will be made using local media (i.e. Sächsische Zeitung, Altenberger Bote, Glashütter Amtsblatt, Gottleubaer Lokalanzeiger) and on the ZLG Community website. Individuals affected by the land acquisition programme will be invited the information events and individual meetings.

Comments and feedback on the LAACF can be made verbally during these engagements and in writing to the contact details provided in this LAACF (Section 8).

Stakeholder Engagement Plan

In line with good international industry practice and regulatory requirements, a SEP has been drafted and will be publicly disclosed for comments.

The SEP describes the planned stakeholder engagement process for the Project, including the land acquisition programme. It sets out a systematic approach to help ZLG build and maintain a constructive relationship with the Project's stakeholders, including locally affected communities, affected landowners and land users. The SEP includes the engagement activities for the affected owners and users of land and assets (including those with legal and no legal rights or claims to land they occupy or use) as described in the LAACF. These activities include:

- Information events and meetings on the LAACF and LAACP.
- Engagement meetings and information event(s) with affected landowners and land users.
- Surveys (socio-economic, valuation/inventory, census).
- Negotiation meetings and signing of agreements.
- Engagements in relation to delivery of other entitlements.
- Engagement with municipalities, community and other interested stakeholders on land acquisition programme.
- Engagement with owners and users of land where temporary access agreements required.
- Disclosure of information on ZLG Community Website, Altenberg office (hard copies) and via other media/platforms.

During the land acquisition programme and implementation of the LAACF and then LAACP, ZLG will continue to regularly inform and consult affected people. All meetings and consultations will be documented by ZLG including the date when the meeting/ consultation was held, list of attendees, and a summary of the discussions. Negotiations and meetings with individuals and information from these will be treated in the strictest confidence.

No confidential information shall be shared and personal data shall be protected during the land acquisition programme and in documentation. Data protection concerns are respected, especially GDPR and the Federal Data Protection Act (BDSG).

6.3 Grievance Mechanism

A Project grievance mechanism (GM) has been established. The grievance mechanism serves as a formalised procedure for receiving, acknowledging, investigating and processing grievances from stakeholders affected by the Project. Any individual, organisation, community or institution can report a grievance related to the Project team or our contractors' activities through the following GM process. Grievances can relate to the Project's environmental and social impacts, including those related to land acquisition. More information on the GM is available on the ZLG Community Website and within the SEP.

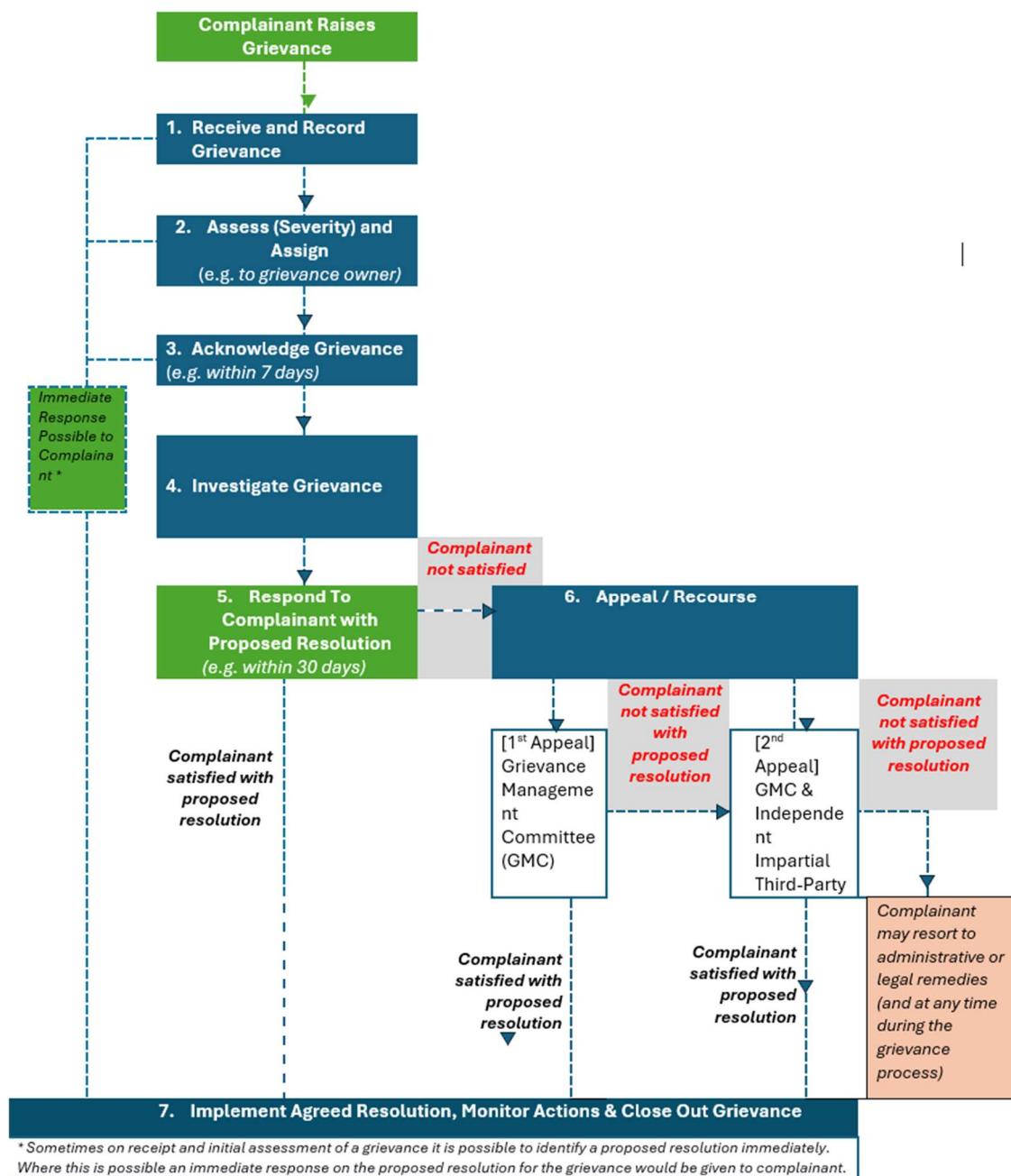
A dedicated grievance form (available in German and English) is available at ZLG Headquarters Altenberg, ZLG Office Dresden, Altenberg Municipality, on the ZLG Community Website (www.lithium-im-erzgebirge.de) and requested from Contact details below. A grievance can be submitted verbally or in writing through these channels.

- In-person with project representatives
- ZLG Headquarters Altenberg, ZLG Office Dresden and Altenberg Municipality
- Suggestion box in public areas in Altenberg.
- By phone (+49 (0)351-20603831), by Email (beschwerde@zinnwaldlithium.de) or an online portal (www.lithium-im-erzgebirge.de/beschwerden).
- Suggestion box in public areas in Altenberg.
- By letter mail to Zinnwald Lithium GmbH, Zinnwalder Straße 15, 01773 Altenberg

Reporting a grievance is free and does not require payment. At all times, Complainants are also able to seek available legal and administrative remedies. A grievance can be submitted anonymously. Grievances will be handled discreetly and carefully to protect complainants from retaliation where this might be a concern. The Project will not tolerate actions of retaliation and will investigate any allegations of retaliation. Where a person might feel uncomfortable raising a grievance with a person of a different gender then the option to hold discussions with someone of the same gender will be offered where possible.

The grievance mechanism comprises a series of steps, which are shown in the Figure 8:

Figure 8: Project Grievance Mechanism



7 Land Acquisition Implementation

7.1 Responsibilities, Budget & Schedule

The key parties in the land acquisition process noted below will be supported by the services of certain external experts (e.g. legal, socio-economic, valuers, surveyors etc.):

- Zinnwald Lithium GmbH: Responsible for managing and funding land acquisition, compensation and Livelihood restoration. The costs for the land acquisition programme are within the Project budget.
- SOBA: Authority deciding on the mining admission. If compulsory acquisition is required of land, SOBA would be the relevant authority.
- Stabsstelle Obere Flurbereinigungsbehörde: Authority deciding on the land consolidation process in Liebenau.

The high-level schedule for the neogited process is as outlined in Figure 8, framed around the main steps of the land acquisition process assuming negotiated settlements are successful. This may alter for the former border station given the lease is being agreed for the exploration access.

Figure 8: High-level Schedule for Land Acquisition (Negotiated Process)

High-level Schedule: Activities	2024		2025				2026				2027
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1) Initial Census: Identification of affected land parcels, landowners and land users											
2) LAACF (Preparation)											
3) Landowners & users engagement & information event(s)											
4) Valuation of affected land and assets											
7) Land Access, Acquisition & Compensation Plan (LAACP) (Preparation & Disclosure)											
8) Negotiations & Signing of Purchase/Usage Contracts and Permissions to undertake surveys											
If Amicable Agreement by negotiation unsuccessful, request for real property assignment filed during late 2026 with a decision/resolution during 2027.											

7.2 Monitoring & Reporting

ZLG will monitor implementation of the LAACF and LLACP until all displacement impacts have been mitigated and commitments delivered, as determined by Completion Audits.

An internal monitoring system will be established in ZLG comprising progress monitoring of inputs and outputs to assess that implementation is in line with the overarching LAACF and the LAACP; and periodic measurement of outcome indicators against baseline conditions, obtained through the socio-economic survey and engagements. Based on the results of the surveys, a detailed list of indicators which will be used for monitoring will be developed and included within the LAACP.

ZLG will maintain a database of the PAPs (individuals, households, businesses etc.) whose land and assets have been affected by the Project, and the compensation and livelihood restoration measures that have been implemented. All information on PAPs, their land holdings and assets, their compensation payments and assistance measures, and negotiations will be kept confidential.

ZLG will produce periodic reports on progress achieved, this will include reports to regulators, shareholders and investors. ZLG will document all meetings and consultations with minutes and photographs, together with progress reports. Information from these reports will be summarised and included in the ZLG Annual Environmental & Social Reports, distributed to relevant stakeholders, shareholders and investors.

8 LAACF Contact Details

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