



**DPM Metals Inc.**  
150 King Street West, Suite 902  
Toronto, ON M5H 1J9

September 18, 2025

[REDACTED]  
Officer-in-charge, Special Procedures Branch  
Office of the High Commissioner for Human Rights

**Re: Response to Joint Communication, AL OTH 52/2025, dated 11 June 2025**

Dear [REDACTED]

Thank you for your letter dated 11 June 2025 (the "Letter") regarding the smelter located in Tsumeb, Namibia (the "Smelter"). DPM Metals Inc., previously Dundee Precious Metals Inc., ("DPM" or the "Company") recognizes the importance of human rights special procedures and related individual communications and apologizes for its delay in responding.

As you noted in the Letter, the Company was the owner of the Smelter from 2010 until 2024 through its subsidiary, Dundee Precious Metals Tsumeb (Pty) Limited, which was sold in 2024 to Sinomine Resource Group Co. Ltd. ("Sinomine"), a well-respected Chinese mining company with operations around the world including Africa and Canada.

As Sinomine is now the owner and operator, they are best positioned to address current operational matters at the Smelter. Nevertheless, we appreciate the opportunity to provide context and insight into the Smelter's operations and DPM's actions during our period of ownership. At the outset we would like to emphasize that the allegations with respect to DPM's management of the Smelter outlined in the Letter do not reflect the reality of our activities in Namibia and we strongly disagree with such allegations.

DPM is fully committed to the best environmental and sustainability practices and respect for human rights. The Company's actions, internal management systems and policy frameworks are informed by, and evolve in line with, a broad array of external frameworks, including the United Nations Sustainable Development Goals, United Nations General Principles on Business and Human Rights, Organization for Economic Co-operation and Development Guideline Documents, IFC performance standards on environmental and social sustainability, Equator Principles, Extractive Industries Transparency Initiative (DPM has been a Supporting Company since 2011), the Global Reporting Initiative, the IFRS International Sustainability Standards Board, which now includes the Sustainability Accounting Standards Board standards, and the Paris Agreement Under the United Nations Framework Convention on Climate Change.

## **Background**

The Smelter was constructed in 1963 and is one of a few in the world specifically built to process copper, lead and cadmium with high levels of arsenic. There are high concentrations of naturally occurring arsenic in the Tsumeb region and the Smelter was built to process ore from mines in the area.

When DPM purchased the Smelter in 2010, it was an antiquated 50-year-old asset that had gone through several ownership changes and was nearing financial insolvency. DPM acquired the Smelter with the primary objectives of consolidating the Company's mineral concentrates processing in one place instead of shipping to various smelters around the world and knew it would need to modernize the facility and operations in accordance with international standards in worker safety, environmental protection and community relations.

To that end, during its time in Namibia, DPM invested more than US\$400 million to bring the operation up to international standards and transform the Smelter into a viable, sustainable facility. The Company invested in equipment and infrastructure improvements, trained its workforce, established new safety protocols, improved occupational health and safety, increased wages and made considerable environmental and social investments.

## **Environmental Performance**

The town of Tsumeb is located over what was at one time one of the most significant copper mines in the world. Mining and smelting activities had occurred for decades in the region and were not subject to modern environmental regulations. Arsenic concentration in the soil within the Smelter property and the surrounding areas is predominantly due to its natural occurrence in the Tsumeb region and anthropogenic load due to the decades of mining and smelting activities that occurred prior to DPM's ownership.

Upon the acquisition of the Smelter, DPM invested in modernizing the facility and improved its environmental performance with a particular emphasis on arsenic, heavy metal exposure and air contaminant reductions.

The Company invested US\$85 million to upgrade the smelting process to capture fugitive arsenic emissions and reduce worker exposure. This investment resulted in improvements to the Ausmelt furnace, baghouse and arsenic trioxide processing plant which were the historical sources of fugitive emissions. Further, the reverberatory furnace operation was closed in August 2013 to improve emissions controls.

In addition to the dust and fugitive control investments, DPM installed modern air and groundwater environmental monitoring stations to provide up-to-the-minute data on airborne dust and sulphur dioxide (“SO<sub>2</sub>”) emissions, with water quality results provided once testing and analysis were completed. During the Company’s ownership, all results were provided to the Namibian government and dust and SO<sub>2</sub> results were also made available to the public, in real time, at DPM’s community information center.

Prior to DPM ownership, the Smelter did not have an adequate storage facility for arsenic-bearing waste materials, which were randomly piled on the site. To remedy this situation, the Company designed, constructed and commissioned an engineered arsenic deposition facility, permitted by the Namibian government, to ensure proper storage of arsenic-bearing waste materials and to protect ground water and nearby soil. As of the sale of the Smelter to Sinomine in 2024, the storage facility was fully-lined and contained several non-permeable liners resting upon layers of compacted earth and clay. DPM’s monitoring program, conducted throughout the period of its ownership, did not detect any increased levels of ground water contamination around the facility. At the time of sale, the facility met international standards and was subject to external audit by both the Namibian government and specialized, independent third parties, who were highly experienced in waste management.

At the beginning of 2017, DPM closed the arsenic recovery plant, as it did not meet the Company’s expectations for improved performance, despite significant investments. Subsequently, the Company ceased selling arsenic on the global market, instead, storing the arsenic materials in the fully permitted arsenic deposition facility.

Worker safety is, always has been and always will be paramount to DPM in all its business activities, and, upon its acquisition of the Smelter, the Company implemented robust industrial hygiene and occupational health monitoring programs. These programs determined what improvements needed to occur with respect to equipment, infrastructure and management systems and the level of monitoring required. One of the first actions of this program was to immediately replace outdated personal protective equipment (“PPE”) with modern equipment in line with international best practices and impose strict PPE compliance by all employees, contractors and visitors.

Additionally, to ensure that the operation was implementing and complying with international best practices, DPM established an independent Arsenic Advisory Panel (“AAP”), an external group of global technical experts in the field of arsenic management. The AAP provided the Company with advice and assistance on matters including, but not limited to, health, safety and environmental protection and stewardship.

When smelting began in Tsumeb over half a century ago and prior to the 2010 acquisition by DPM, there were no controls on SO<sub>2</sub> emissions. SO<sub>2</sub> gas is primarily an irritant with an unpleasant odour, and, while the concentrations of SO<sub>2</sub> gas were not high enough to cause adverse health effects, people with certain respiratory ailments were more sensitive to it.

In response, DPM invested US\$240 million in an SO<sub>2</sub> recovery plant to capture emissions and use them to produce sulphuric acid, a critical component in mining. Construction was completed in 2015, and the result brought the Smelter in alignment with South African ambient air quality standards (in the absence of an equivalent national standard in Namibia) and the Company achieved over a 95% decrease in SO<sub>2</sub> emissions compared to their peak in 2014<sup>1</sup> and an associated decrease in community concerns over time.

## Social Performance

DPM's commitment to responsible practices also extended to the local community, as the Company worked extensively to foster strong partnerships within the region and to support local economic development, which helped to establish the town of Tsumeb as one of Namibia's most prosperous outside the capital city of Windhoek.

Throughout DPM's ownership, the health of its employees and the community was a top priority. The Company conducted and participated in several worker and community health studies.

In 2012, DPM participated in what was, at the time, the largest study of workplace health in Southern Africa involving 1,700 current and past smelter workers, conducted jointly by the Namibian government and the World Health Organization.

The study found that the majority of community health concerns were related to skin rashes and revealed the extent of pre-existing health problems, unrelated to occupational exposure. The results of the study did not identify increased illness levels at the Smelter and confirmed there were no cases of cancer attributable to arsenic exposure. Taking into consideration the results of the study, DPM extended its free wellness program to assist with treating these conditions, implemented targeted nutrition programs and hired three onsite health nurses and a medical practitioner to further support the health and well-being of the local community.

DPM also commissioned three independent community health studies. These health impact assessments were developed by specialists with the requisite knowledge, experience and expertise in the field of occupational and community health impacts, including aspects related to arsenic exposure. The studies were coordinated and approved by the Namibian government.

The Company reported the study results in its Environmental Social Impact Assessment which concluded, "Based on urine, inorganic arsenic for Tsumeb residents (as a whole) showed that there does not seem to be a general systemic overexposure problem. The overall mean was actually found to be well below the most conservative international occupational hygiene standard."

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<sup>1</sup> DPM 2023 Sustainability Performance Data Supplement, [dpm\\_sr\\_2024\\_v4\\_landscape\\_preview.pdf](#) p. 8

Employee test results, as an element of the Smelter's extensive Industrial Hygiene and Occupational Health Monitoring Program, were available to employees upon request as part of ongoing education and arsenic exposure management.

DPM invested in the community both directly and through the Tsumeb Community Trust. The Company funded health facility improvements, educational programs, small business development, housing and supported various community organizations.

The Company established the Tsumeb Community Trust in 2010 to provide funding to address socio-economic needs in health care, education, social services and employment creation. The Trust operated at arm's length and was entirely governed by prominent leaders of Tsumeb and Namibian society. Support was provided for classroom renovations, special education, improvements to the local hospital, local artists and grants to over 90 small Namibian-owned businesses.

DPM donated land and supported the development of a housing complex through a public-private partnership with the Namibian National Housing Enterprise to build homes for DPM Tsumeb employees, which they now own.

Local hiring and contracting remained a priority throughout the Company's ownership. Foreign workers were used only when local expertise were not available and DPM's procurement processes always gave priority to Namibian companies, where available.

### **Monitoring and Disclosure of Information**

Transparency with stakeholders is a core value at DPM and one the Company remained committed to throughout the duration of its ownership of the Smelter. During DPM's ownership, the Company provided extensive reporting to the Namibian government, which maintained oversight over the Smelter's operations, health safety and environmental performance, progress toward meeting committed Smelter improvements and stakeholder engagement. Initially, this oversight was conducted jointly with the support of experts from the United Nations. The Smelter was subject to many government-led and other independent internal and external audits of its management system, health and safety protocols and environmental and social management practices.

At the facility level, DPM opened an Information Centre in central Tsumeb in 2012 to bring services closer to the public. The Information Centre shared monitoring results and provided access to the community to ask questions and utilize the stakeholder grievance mechanism, if needed. Members of the community were encouraged to voice their concerns or lodge formal grievances about anything related to the Company's operations. These concerns were then relayed to senior management who were mandated to address them in a transparent, timely and appropriate manner.

At the Group level, since 2011, DPM has been disclosing each asset's environmental and social performance in the Company's corporate annual sustainability reports (reporting on data sets and key initiatives). Since 2012, these reports have been subject to independent assurance and are all available on the Company's website.

In 2016, The European Bank for Reconstruction and Development ("EBRD") made a strategic equity investment in DPM. As a result, an environmental and social action plan was developed and implemented to bring the Smelter in line with EBRD's environmental and social performance requirements. Throughout its time as a DPM shareholder until divesting in 2023, EBRD monitored the environmental and social performance at the Smelter and undertook site visits as necessary.<sup>2</sup> In 2018, DPM's efforts were recognized by the EBRD with an Environmental & Social Best Practice Bronze Award.<sup>3</sup>

Additionally, in 2017/2018, the Office of the Extractive Sector, Corporate Social Responsibility ("CSR") Counsellor of the Government of Canada (the predecessor organization to the Canadian Ombudsperson for Responsible Enterprise), accompanied by two Canadian trade commissioners, visited the Smelter. This visit was paid for by the Government of Canada. In the annual Report to Parliament, the Counsellor noted discussions with the senior management team, beneficiaries of community investment projects, the Tsumeb Community Trust Board of Directors, local government leaders and Smelter employees. The Counsellor commented in the report: "It was clear from the comments of community representatives and various program participants that Dundee's presence, its modernization of the smelter operations, its local procurement, training and hiring practices, its community relationship building approach as well as its investments in targeted community projects, are seen as a key to Tsumeb's economic and social renewal."<sup>4</sup>

## Divestiture

In 2024, in line with DPM's strategic focus on its core mining business, the Company completed the divestiture of the Smelter to Sinomine. DPM conducted a very thorough process to seek a buyer committed to the highest standards of environmental, health and social responsibility consistent with DPM's way of operating. The Company worked closely with the Sinomine team and the government of Namibia throughout the process to ensure a safe and smooth transition for the operation of the Smelter.

DPM acquired and divested the Smelter pursuant to normal contractual arrangements between buyer and seller, factoring in each case the purchase price and other commercial considerations among the parties. These arrangements govern the relationship of the parties and were not meant to circumvent applicable environmental and other laws or regulations as the allegations in the letter seems to imply.

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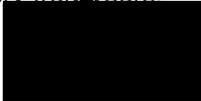
<sup>2</sup> [Dundee Precious Metals Equity | We invest in changing lives](#)

<sup>3</sup> [EBRD honours clients for outstanding sustainability work](#)

<sup>4</sup> [https://www.academia.edu/39503773/Office\\_of\\_the\\_Extractive\\_Sector\\_Corporate\\_Social\\_Responsibility\\_CSR\\_Counsellor\\_2018\\_Annual\\_Report\\_to\\_Parliament](https://www.academia.edu/39503773/Office_of_the_Extractive_Sector_Corporate_Social_Responsibility_CSR_Counsellor_2018_Annual_Report_to_Parliament)

During the Company's 14 years as the owner of the smelter, DPM invested more than US\$400 million to bring the operation up to Namibian and international standards and the Company is extremely proud of DPM's environmental, social and governance accomplishments achieved at the smelter.

Very truly yours



David Rae

President and Chief Executive Officer