



MIDROC Gold Mine PLC Overview and Contribution

October 2014



I. General History

1. Background

- Acquired Legadembi Gold Mine as a result of privatization in 1997.
- Started operation in 1998.
- Conducted optimization of open pit, the processing plant and facilities.
- Developed Legadembi underground mine.
- Conducted detail exploration in Sakaro.
- Expanded exploration around shakisso – secured Ulaulo license.
- Extended exploration activity to west part of the country – Metekel (Benishangul Gumuz Regional State).
- Commenced development of Sakaro underground mine in 2009.
- Discovered gold deposit at Metekel, now conducting feasibility study

2. Manpower

- During privatization (1998) 625

- Current (August 2014)
 - National employees 1,328
 - Expatriate 31
 - Total permanent 1,359

 - Secondement 492



3. Tax contribution

Up to August 2014 (16.5 years)

• Profit tax	Birr 2, 499,433,682
• Royalty	Birr 767,794,689
• <u>*Other taxes</u>	<u>Birr 273, 156,616</u>
• Total tax & royalty	Birr 3,540,384,986

* Other taxes include; dividend tax, employees income tax, house and land tax



II. Operation

1. Legadembi mine operation

- In operation for the last 16.5 years – mining license for 20 years
- Total production / Sale
 - Gold 52,044.71 kg
 - Silver 14,670.6 kg

Revenue from sales

Gold	USD 1,249,428,016	(Birr 17,168,007,555)
• Silver	USD 5,860,253	(Birr 80,671,938)
• Total	USD 1,255,288,269	(Birr 17,248,679,493)



2. Sakaro mine

- Obtained mining license in 2009 for 20 years.
- Currently finalizing underground development and preparation.
- Plan to commence operation at the end of 2014.
- Expected to contribute close to one tonne of gold production per annum, in the coming five years.
- Overall gold production estimated at 17.5 tonnes – But further verification of the reserve in progress.

3. Metekel (potential gold mine)

Status

- Obtained exploration license in mid 2005 on 2,262 square km area, explored for the last nine and half years.
- Discovered a gold deposit in one of the target areas and identified gold mineralization in other targets as well.
- Prefeasibility study completed in October 2013 and showed viability of a gold mine.
- Feasibility study underway and final report expected end of 2014.

Metekel (potential gold mine) (cont ...)

Possible Activities

- Open pit mine
- Processing plant with crushing, milling, gravity, leaching and CIP units
- Infrastructure and facilities including, tailing storage facilities, workshops, stores, offices, accommodation, canteen, etc.





Metekel (potential gold mine) (cont ...)

Expected Benefits

- Sustainable mining operation
- Employment opportunity
- Tax and Royalty revenue
- Community benefits

4. Other explorations activities

- Menta Woha – Amara Regional State.
- Ulaulo Meleka- Oromia Regional State.
- Kenticha area (license applied) - Oromia Regional State.



Thank You