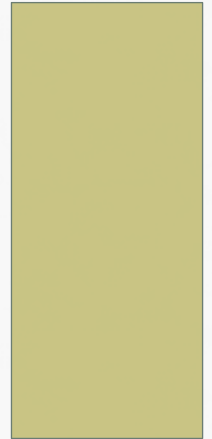


DOMINICAN REPUBLIC MINING OPPORTUNITIES AND CHALLENGES

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DOMINICAN REPUBLIC (DR) FACTS

- Second largest Caribbean nation: 48,442 km²;
- Population of 10 million people
- Stable democracy with multi-party political system;
- GDP: \$64.4 billion (est. 2013)
- GDP per capita: \$9,840 (est. 2013)
- GDP growth rate: 4.3% (est. 2013)
- 9th largest economy in Latin America;
- Caribbean's largest tourist destination;
- Economy based on tourism, agriculture, light industry and mining.
- Capital city, Santo Domingo



Santo Domingo City shore line

DOMINICAN REPUBLIC (DR): MINING DESTINATION

- ❖ Excellent mining infrastructure.
- ❖ Modern deep water port facilities.
- ❖ 7 international airports
- ❖ Skilled local labour force.
- ❖ Well established, competitive mining code.
- ❖ Mining friendly jurisdiction.
- ❖ Pro-mining and pro-foreign investment.
- ❖ Under explored.

DR MINING PROJECTS

- MINING OPERATIONS
 - ❖ Pueblo Viejo (Barrick/Goldcorp)
 - ❖ Cerro Maimon (Perilya Ltd.)
 - ❖ Falcondo (XtrataNickel)
 - ❖ Las Lagunas (Panterra)
 - ❖ Las Mercedes (former Alcoa Bauxite Mine)

- ADVANCED EXPLORATION PROJECTS:
 - ❖ Neita (Unigold Inc.)
 - ❖ El Romero (Gold Quest Mining Corp.)
 - ❖ Pueblo Viejo Extension (Everton Resources Inc.)
 - ❖ La Paciencia (Panterra Gold)
 - ❖ Juan de Herrera (Precipitate Gold Corp)

NON-METALLIC MINING

- The Dominican Republic has a big potential and reserves of non-metallic and industrial minerals such as Rock Salt, Gypsum, Marble and Limestone in several varieties, sand for glass, feldspar, kaolin, industrial clays, marble and other ornamental stones.
- Also has semi precious stones Amber s and Larimar for jewelry.
- Currently we have 50 non metallic mining operations, including 7 Portland cement operations producing 6 millions tpa of cement for construction



BARRICK PUEBLO VIEJO



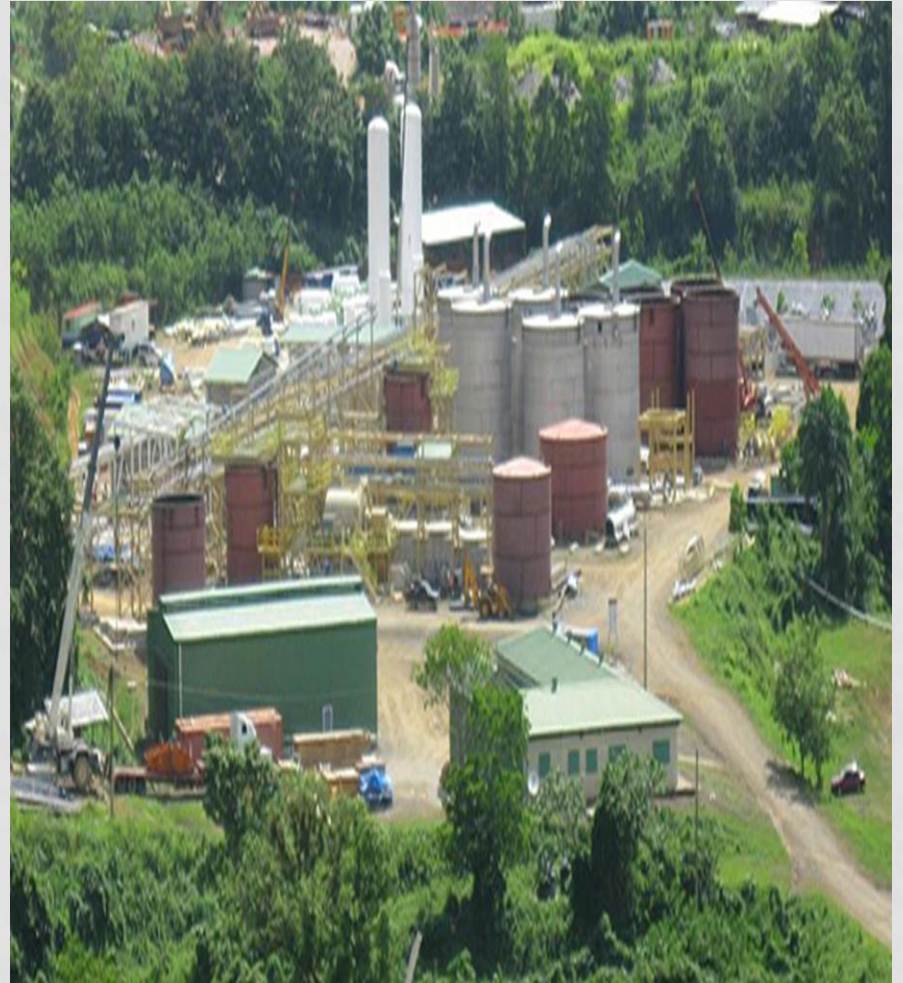
FALCONDO XSTRATA NICKEL



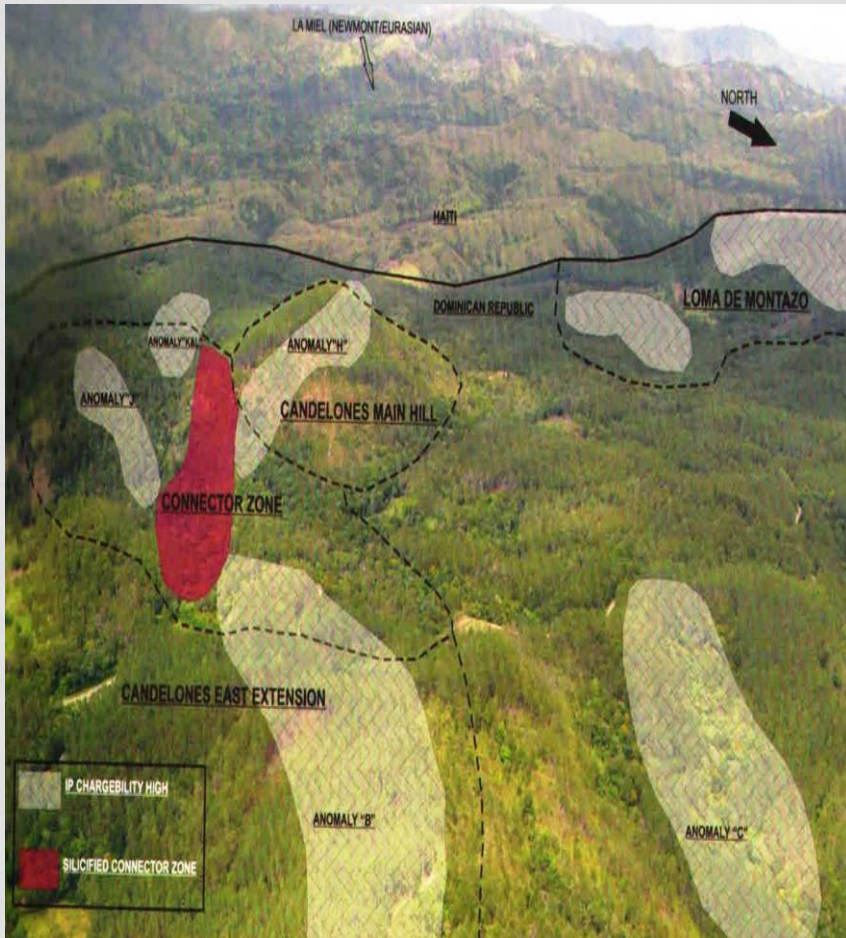
PERILYA - CERRO MAIMON



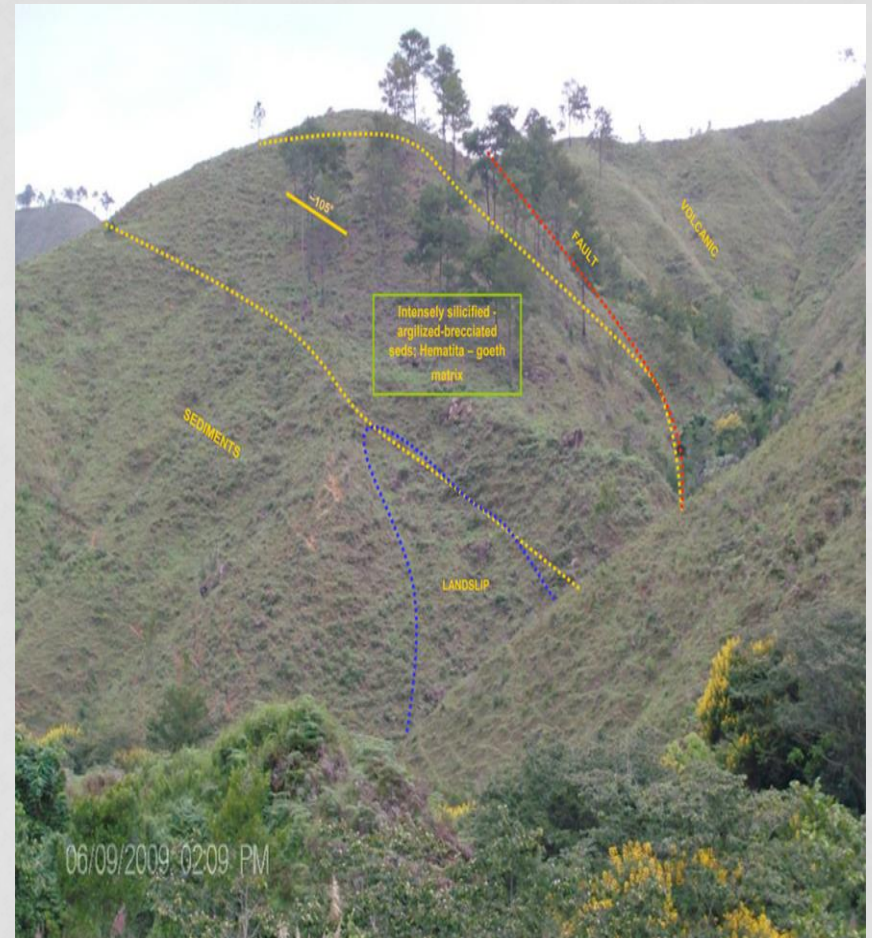
PANTERRA GOLD-LAS LAGUNAS



UNIGOLD - NEITA PROJECT



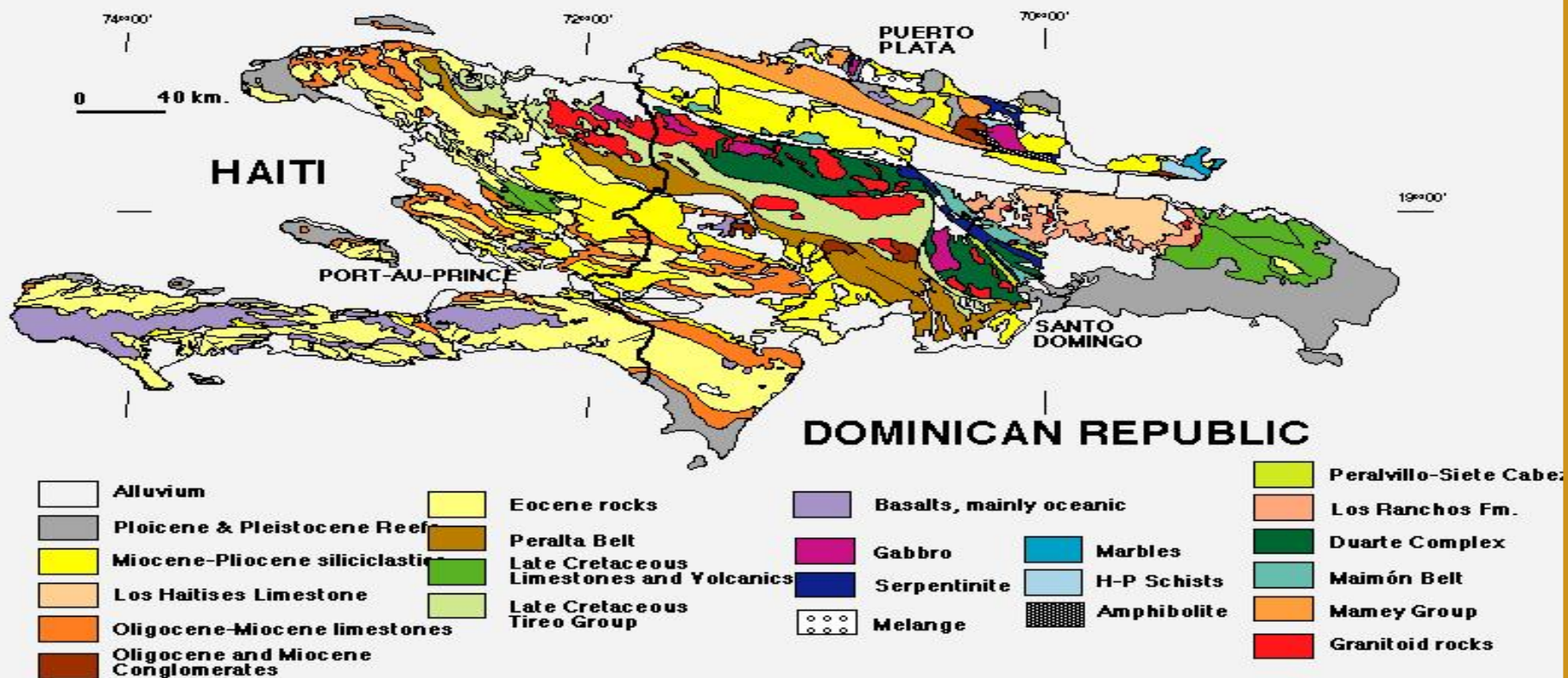
GOLD QUEST - ROMERO



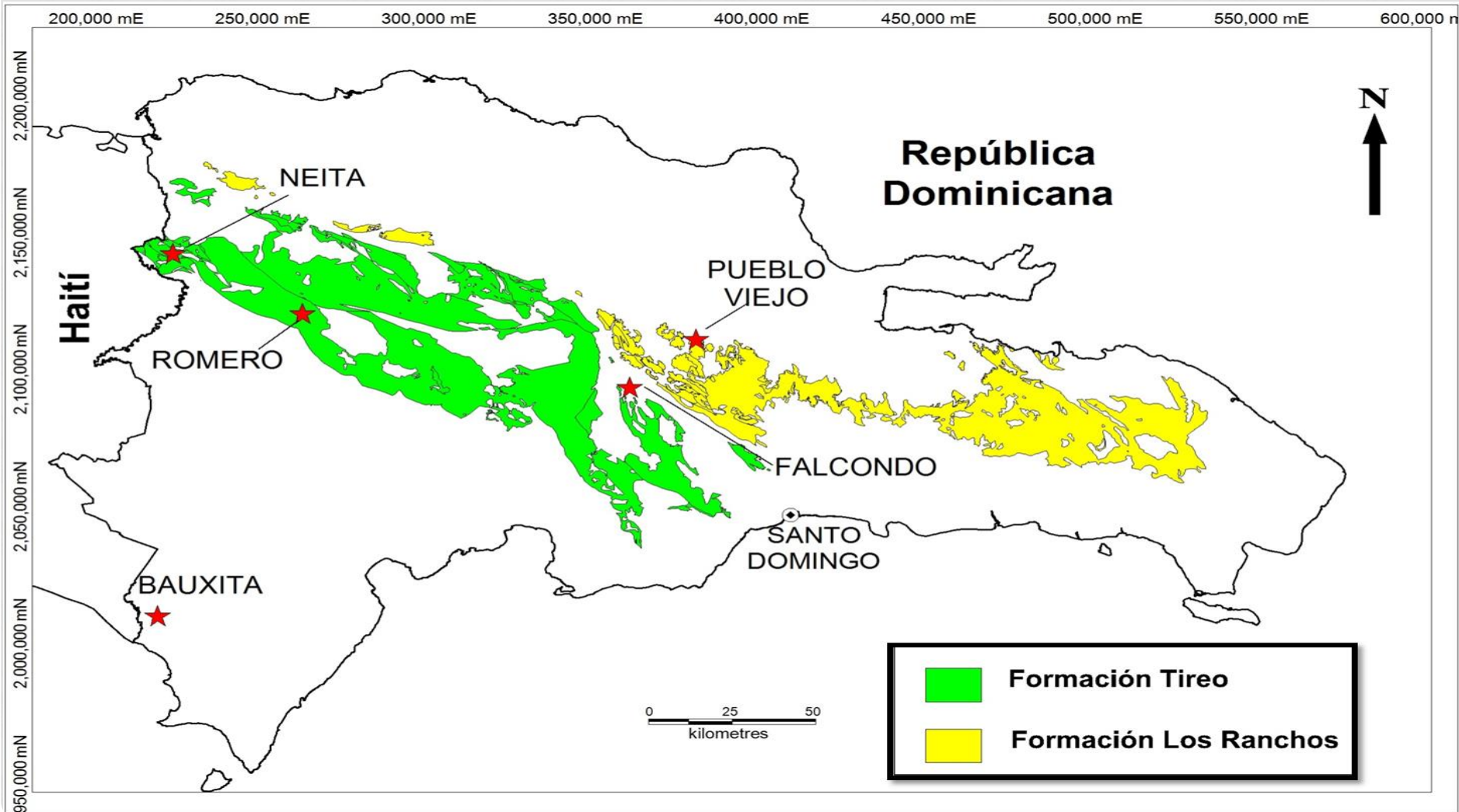
MINING POTENTIAL OF DOMINICAN REPUBLIC

GEOLOGIC MAP OF HISPANIOLA

Draper, Lewis & Gutiérrez, 1995



DR: TIREO FORMATION AND ASSOCIATED VOLCANIC ROCKS: PROVEN GOLD HOST



LEGAL FRAMEWORK

- All mining activities are ruled by Mining Law 146.
- This law give exclusive mining rights to first person who claim a given territory:
- Exploration concessions: gives the exclusive right to explore minerals for a term of three (3) years. It can ask for 2 extensions of 1 year each.
- The maximum area allowed to a exploration concession is 30,000 Ha.
- Extraction Permits: gives the concessionaire the exclusive right to exploit, process and use economically, the minerals extracted in the perimeter of the concession, for a period of 75 years.
- The limit area of any concession for extractive is 20,000 Ha.
- Benefit Plants: authorize industrial facilities to process minerals from third party deposits.

REQUIREMENTS FOREIGN INVESTMENTS

Exploration Permits

- Any foreign company or individuals can apply for an exploration concessions.
- Should send to the Mining office all legal corporate company documentation

Extraction Permits and Benefit Plants

- The Foreign companies must become as a Dominican company following all requirements under Dominican laws. It's treated as any Dominican company

TAX REGIME

- All mining operation should pay 28% of their net income each year, as income tax.
- Additionally should pay 5% of their net income to municipalities where the mine is located, according to the Environmental Law.
- In case of no earnings operation, companies should pay at least a tax rate of 5% FOB value of any exported ore or metal product.

CHALLENGES FOR THE DEVELOPMENT OF MINING IN DOMINICAN REPUBLIC

- Mining Code Modernization
- Upgrading Mining Cadastre
- Artisanal Mining. Formalize small miners
- Developing oil and gas potential. Acreage auction for exploration
- Increase Transparency. EITI Initiative
- Increase positive public perception for mining