

Indaba Presentation

Koidu Limited - Sierra Leone Overview



Disclaimer

Any numbers contained herein are preliminary and may be subject to change or amendment without notice.

Certain statements made herein may contain information or statements about expected future events and financial and operating results of Octéa Limited and/or any of its subsidiaries (herein: "Octéa" or the "Octéa Group"), that are forward-looking and subject to risks and uncertainties, and have not been reviewed by the auditors of Octéa or of any company within the Octéa Group. Accordingly, Octéa's actual results, performance, or achievements could differ materially from those expressed or implied by such statements and such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. No undue reliance shall be placed on such forward looking statements.

Factors that could cause actual results to differ materially may include items discussed in this document, but could also include other factors such as general business and economic conditions, competition, technological change, taxation, political risk and other risk factors that are identified from time to time. Furthermore, historical results stated herein may not be indicative of the Group's or any of its member's future performance.

The Octéa Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Welcome: Country Case Study: Sierra Leone Koidu Limited



Contents



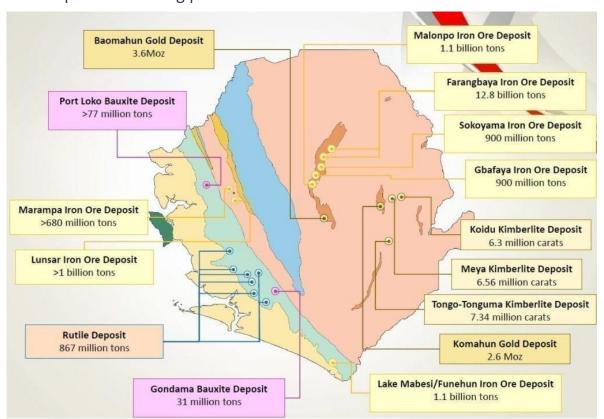
- Sierra Leone A Rich Mining Heritage
- Government's Commitment to Mining Development
- Koidu Limited's Overview
- Potential for Investment
- Conclusion





Brief history of mining in Sierra Leone

- Sierra Leone has a rich history of mining dating back to the 1930s when the first commercial diamond mine was established.
- The country is well known for its abundant mineral resources, including diamonds, gold, iron ore, bauxite, and rutile.
- The mining sector played a significant role in the country's economy during the 20th century, but declined during the civil war in the 1990s.
- After the end of the war, the mining industry started to recover, and the government introduced various initiatives to support the growth of the sector.
- Today, Sierra Leone is once again emerging as a major player in the mining industry, with a focus on sustainable and responsible mining practices.





Overview of Minerals Present in the Country



Known Minerals of Sierra Leone

Rutile

Gold

Ilmenite

Diamond

Bauxite

Zircon

Iron Ore

Coltan

Rutile





Bauxite



Iron Ore

Potential for Base Metals & Rare Earth Elements

- Chromite
- **Platinum** Copper
- Nickel
- Molybdenum

Rare Earth Elements







Platinum



Tin

Lead

Nickel



Rare Earth **Element**







Zircon



Columbite-**Tantalite** (Coltan)



Molybdenum





Copper

Tin



Lead



Potential for exploration and discovery of new minerals



Sierra Leone has vast mineral potential and is ripe for exploration and discovery of new minerals. The country has a long history of mineral production, but only a small portion of its mineral resources have been explored and developed. The following factors contribute to the potential for exploration and discovery of new minerals in Sierra Leone:

- Geology: Sierra Leone is located in West Africa and is part of the West African Craton, which is known for its rich mineral deposits. The country has a diverse geology with several geological structures and mineralization styles, which have the potential to host a variety of minerals.
- Under-explored areas: Despite its long history of mineral production, only a small portion of Sierra Leone's mineral resources have been explored and developed. Large areas of the country remain under-explored and have the potential to host new mineral deposits.
- Favourable policy environment: The government of Sierra Leone has been working to create a favourable policy environment for exploration and mining. The government has introduced serval initiatives which aims to attract investment into the country's mining sector and spur exploration activities.
- Technological advancements: Advances in technology have made it possible to explore new areas and detect minerals that were previously not economically viable to mine. This has increased the potential for discovery of new mineral deposits in Sierra Leone.

Sierra Leone has a high potential for the discovery of new minerals and offers attractive investment opportunities for mineral exploration and development, and with support from the World Bank, undertook a countrywide airborne geophysical survey to collect reliable geophysical data that will help to determine the mineral potential of the country.

Sierra Leone's high quality National Airborne Geophysical Survey (NAGS) data deliverables was officially launched by H.E. Dr Julius Maada Bio on May 23, 2021.



Government's Commitment to Mining Development

Government's Commitment to Mining Development

- The Sierra Leonean Government is supportive of the mining industry, undertaking several major initiatives to encourage national and international investment. The mining industry in Sierra Leone is regulated under the 2009 Mines and Minerals Act which is supplemented by the 2013 Mines and Minerals Operational Regulations, amongst others.
- In 2003, Sierra Leone became a member of the Kimberley Process to protect the legitimate trade in rough diamonds, and in 2007 enacted the Diamond Cutting and Polishing Act to issue licenses entitling the holder to buy, deal in, export, import as well as cut, polish, crush and set diamonds for the purposes of trade.
- In 2006, Sierra Leone joined the Extractive Industry Transparency Initiative (EITI) to improve governance and revenue management in the extractive sector.
- In 2012, the Government set up the National Minerals Agency under the Ministry of Mines and Mineral Resources, with a mandate to implement clear policies and regulations, enhance transparency and accountability and ensure mineral resources support economic and social development.
- In 2018 Sierra Leone enacted Local Content Act which aims to contribute to boosting the economy by supporting the power of local industries and promoting the use of locally sourced Sierra Leonean goods and creating transfer of knowledge.
- Infrastructure development: The government is investing in infrastructure development to support the growth of the mining sector. This includes electricity reticulation construction of roads, bridges, and ports to improve access to mining sites and facilitate the export of minerals.





- Koidu Limited has been an operating mine since 2004
- The Koidu Kimberlite Project is situated within the Tankoro Chiefdom of the Kono District in the Eastern Province of Sierra Leone, approximately 2 km south of the district capital, Koidu and approximately 360 km east of Freetown, the capital city.
- The Koidu Limited mining concession contains
 - 2 kimberlite pipes,
 - 4 kimberlite dyke zones and
 - 4 kimberlite blows
- The Koidu Limited mining lease is valid until July 2030
- 4.9 km² mining lease area

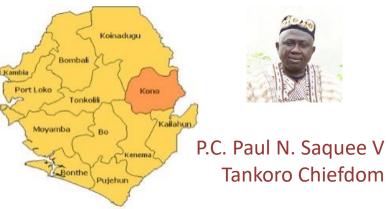
Our Purpose & Vision

<u>Purpose</u>: Our Purpose is to enable the responsible growth of Sierra Leone's diamond mining industry and to maintain a legacy of shared prosperity with all our stakeholders.

<u>Vision:</u> Our Vision is to develop Sierra Leone's diamond mining industry, delivering sustainable, superior and inclusive growth.

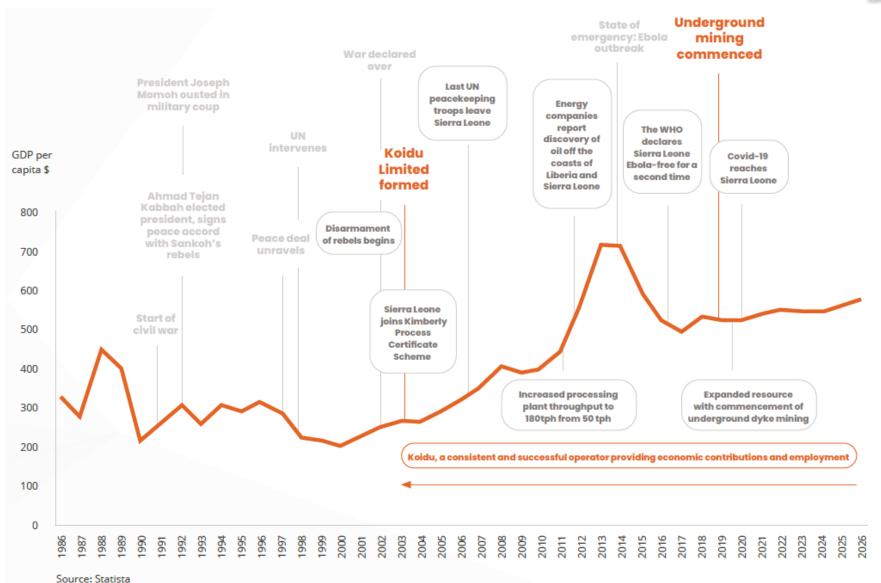
<u>Mission:</u> Our Mission is to deliver exceptional economic, social and environmental performance and materially contribute to goals set out in Sierra Leone's National Development Plan.













Our history in Sierra Leone

- Koidu has operated in Sierra Leone for the last two decades, during which time we have successfully built operations that have transitioned from open pit diamond pipe mining, to pioneering a technically complex underground pipe and dyke mining operation.
- We employ nearly 1,100 personnel across a variety of operational, engineering, administrative and support function roles, 81% of whom are Sierra Leonean.
- Despite the challenges in recent times within Sierra Leone, including the Ebola outbreak and more recently the COVID-19, we have remained a consistent and stable operator, putting in place the necessary precautions to enable us to continue to work safely. This enabled continued revenue generation by our business which is important to our host government and their ambitions, and we are very encouraged knowing that these revenues are supporting clear development plans.
- Over the last few years our relationship has strengthened within our local communities and with government as they are today. We have dedicated time to understanding and setting appropriate expectations with our stakeholders and this could only be possible with the assistance of our host community and national leaders. We currently have a highly capable team, and consist of a leadership team that has grown to being over 50% Sierra Leonean.
- We aim to continue to develop the unquestionable talent there is in Sierra Leone and maintain the momentum of upskilling all our employees across the entire business.
- Strong governance is essential to our business in achieving the objectives we set and standard we expect. We have robust oversight from our Board of Directors.





We consistently produce world-class gems

Koidu produced over 645,000 carats in 2021 (up from 558,000 in 2020), of which:

67%

gem quality diamonds

33%

industrial-quality diamonds

Since 2016, Koidu has consistently produced gem-quality diamonds at average values of ~\$300 per carat when Koidu achieved an average gem value of ~\$267 per carat (2018 to 2021).

Our strategy

We continue to maximise the economic potential of the Koidu Mine through to 2027* for the benefit of all stakeholders by investing in our people to enable their development, investing in our operations and working with local partners and communities to support economic growth.

Through leveraging our technical and operational expertise we can identify and develop additional diamond mining projects. Our established mining infrastructure and network enables us to expedite resource monetisation and operate in a manner consistent with the four goals of the Medium-Term National Development Plan.

LoM currently ends in 2027 with potential to extend the resource further, subject to change.



Operations

Based in the Tankoro Chiefdom of the Kono District, Koidu is the largest operating underground hard-rock diamond mine in Sierra Leone and has been in production since 2004.

The diamonds being mined in Sierra Leone are amongst the best quality in the world consisting of high grade, high value, highly desirable goods, and our distinctive octahedral crystals are high yielding during the manufacturing process.

The mining area is 4km² and comprises two kimberlite pipes ('K1' and 'K2'), four dyke zones and a number of blows off the dykes. Kimberlite pipes are carrotshaped intrusions formed by high pressure eruption of kimberlite magma from the upper mantle between 100-300km beneath the earth's crust.

On average, only one in a hundred kimberlite pipes are diamondiferous and are extremely rare. Kimberlite dykes are sheet-like bodies of magma that cut through and across the layering of adjacent rocks.

In 2003, Koidu set up operations on the property and began dewatering and removing silt from the existing 30m excavation of the K1 Pipe.

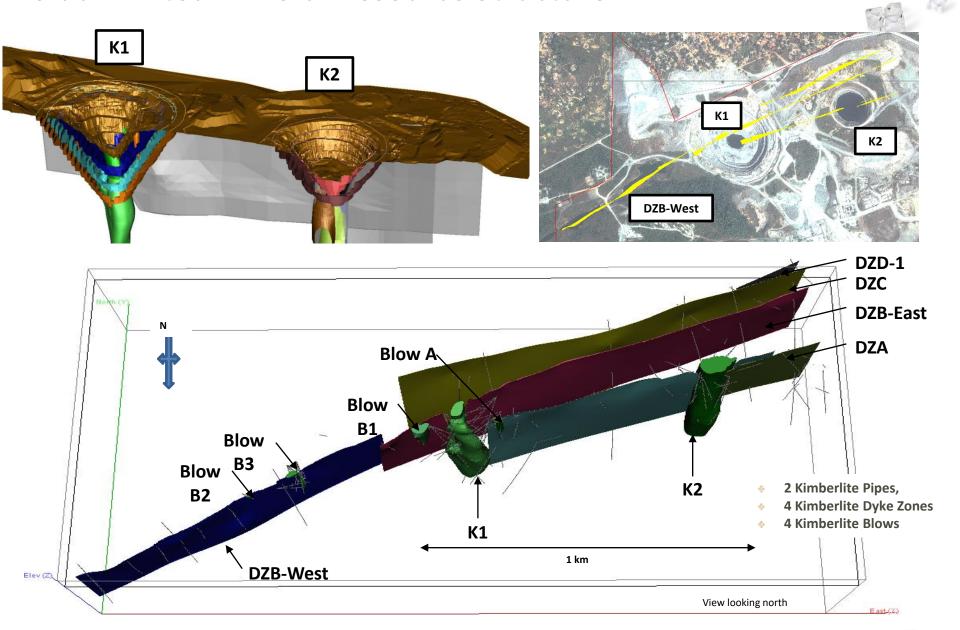








Koidu Limited Mineral Resource Structure





Current Operations – K1

1. K1 KIMBERLITE PIPE

- Currently developing K1, L5 and L6
- 12.9km developed start to date

Stoping completed on 4 Levels

Equipment in production

- 6/6 ADT's
- ♦ 3/3 LHD's
- 2/2 Development Drills
- 2/2 Long Hole Drills (stoping).

Constraints

- Granite Cascading into the stopes.
- Secondary blasting of boulders.

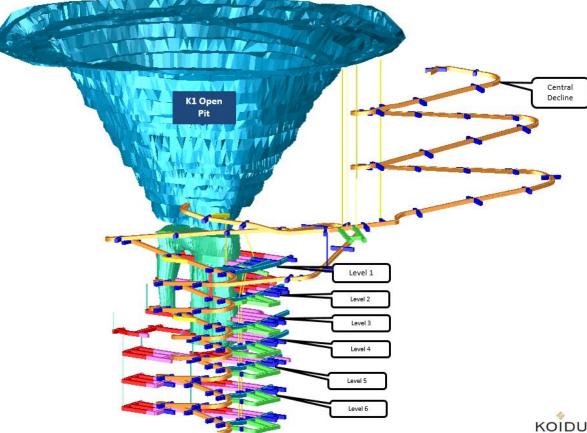
Forecast Completion

May 2024 (Level 7)

Resource

1 041 913t of ore to be mined







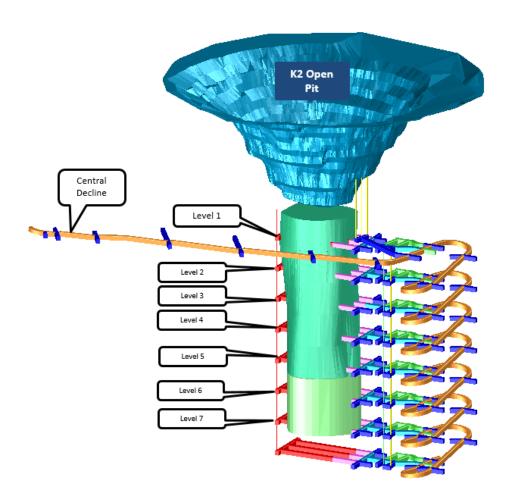
Current Operations – K2

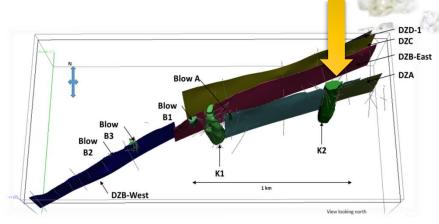
2. K2 KIMBERLITE PIPE

- Development commenced in February 2022.
- 750m developed start to date
- Stoping will commence in July 2023.

Resource

2 984 328t of ore to be mined









Current Operations – DZB

3. Dyke Zone B West Mining

- Currently developing L9 and L10.
- 9km developed start to date.

Stoping L4, L5 and L6.

Equipment in production

- 4/4 Mini ADT's
- ♦ 3/3 LHD's
- § 3/3 Development Drills
- 1/1 Long Hole Drills (stoping).

Constraints

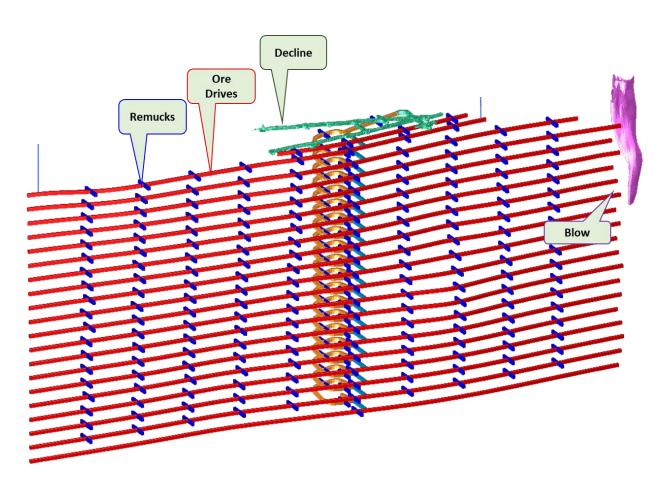
Limited skills – National staff

Forecast Completion

December 2028 (Level 22)

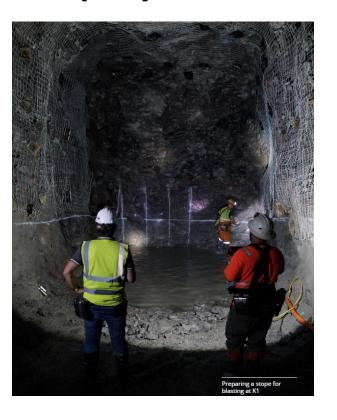
Resource

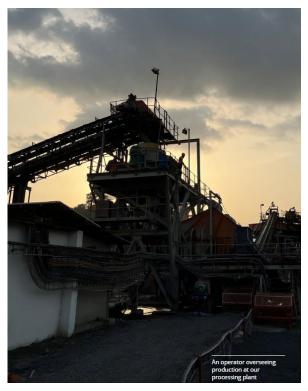
1 379 676t of ore to be mined











As the pioneer of underground diamond mining in West Africa and in line with our commitment to enable the responsible growth of Sierra Leone's diamond mining industry, Koidu supported the development of the Sierra Leone underground diamond mining manual, industry health & safety regulations and numerous associated compliance reforms.















Sustainable Mining Practices



- The Government takes the issue of sustainable mining practices very seriously and enforces them through the Mining Ministry, National Minerals Agency, and Environment Protection Agency, guided by their various laws and regulations.
- Koidu is guided by clear laws and regulations by the Ministry and these agencies that require companies to obey environmental laws and laws related to health and safety and the support of local community development initiatives through mandatory schemes for the company which are also enshrined in the company's agreement with the government.
- Koidu Ltd. endeavours to be a good steward in the area of environmental and social performance. We consistently adhere to standards and proactively address issues before they escalate.
- The company has an Environmental Department and its environmental and social performance are periodically monitored by an external consultant and audited by regulatory agencies. It has started carrying out sustainability reporting on a wide range of sustainability issues to assess the risks and opportunities faced by the company.
- Apart from its environmental and social performance, it also delves into issues of local content, community relations, health and safety, a host of women's empowerment issues, labour practices and human rights.
- Koidu is proud of its record in these areas. We are especially proud of our assistance to our local community demonstrated not only by good community relations but with tangible developmental projects.

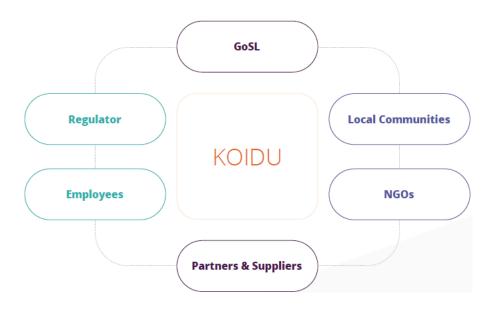


Sustainable Mining Practices



Koidu

We seek to deliver consistent, coordinated and meaningful stakeholder relations.



Stakeholder	How we engage
GoSL	We work with the Government to understand shared goals and find ways in which we can best contribute to these goals. Often, we do this by creating jobs, building infrastructure, and investing in local people to improve their knowledge and skills.
Regulator	We maintain open and proactive relations with the various ministries and regulators with whom we engage and support them where possible to improve the industry practices.
Employees	With ~1,000 employees we ensure continuous engagement on essential health, safety and security matters as well as going above and beyond to support their personal development.
Local Community	Through our dedicated Community Development teams, we update our host communities on various initiatives, including our Resettlement Action Plan ('RAP').
NGOs	We remain available for open, honest and constructive engagement on material issues concerning our stakeholders and our operating footprint.
Partners & Suppliers	Our extensive network of national and international partners is closely managed to ensure we maintain operational and commercial discipline.



Sustainable Mining Practices

Koidu

We seek to deliver consistent, coordinated and meaningful stakeholder relations.













Potential for Growth



Unleashing the Potential for Growth in the Mining Industry

- The mining industry continues to grow with the inception and development of more large scale mines.
- These include mines for various minerals. Three more large scale diamond mines (Meya, Seawright and Sierra Diamonds) are in various stages of development apart from Koidu.
- In addition there are two major iron ore mines operating (Marampa Mines and Kingho Mining Itd.). Both plan to markedly expand their operations. A major gold mine (FG Gold) is being developed for the first time and a new bauxite mine (CTC) in the North of the country.
- The major Sierra Rutile mine, the world's largest single producer of natural rutile will soon extend its operation to another area (Sembehun) of its lease.
- A host of other mines are being developed. The completion of the World Bank sponsored geophysical survey of the country has indicated the huge potential for various minerals in Sierra Leone and sparked renewed interest in investing in the country's mining sector.
- The prospect of the promulgation of the new mining law and an improvement in the global investment climate over the present will likely lead to interest in the mining sector from external groups.
- The country is experiencing economic problems as a result of the current global crisis but attempts by the government to diversify the economy and increase local output will bode well for the economy in future.



Conclusion



Join us in Building a Better Future for Sierra Leone

- Sierra Leone is open anew for mining. The country has a long history of mining and has always been famous for its high quality gem diamonds and its world class rutile deposits.
- Notwithstanding the dip in the sector experienced over the past few years, the improvement in the investment climate, greater clarity to its laws and regulations, improvement in infrastructure and a better definition of its mineral potential have combined to spark a renewed interest in the country's minerals.
- There are opportunities for growth with the existing mining companies and new mining developments coming on stream.
- Investment rules are clear and the sector is well administered and regulated.
- The government realises the importance of its being investor friendly and has made great strides in this area.
- The gateway is open to investing in Sierra Leone and we encourage you to join us join us, who have been successfully navigating this path for years.







