

We are proud to be at the forefront of exposing Africa's mineral wealth to the investment community and believe that we – as Africans – have a special knowledge and understanding of doing business in Africa.



## Corporate profile



Mwana Africa PLC is a pan-African resources company established in October 2005. It is the first **African-owned, African-managed** business in this sector to be listed on the London Stock Exchange's Alternative Investments Market (AIM).

The company was formed through a reverse takeover of African Gold plc, the AIM-listed African gold exploration and mining company, by a privately held mining company, Mwanza Africa Holdings (Pty) Limited.

With operations and exploration activities in Zimbabwe, and a broad range of exploration and development projects in the Democratic Republic of Congo (DRC) and Ghana, the asset base is diverse – gold, nickel, copper, zinc, cobalt and, more recently, diamonds and oil and gas. The company intends to pursue further mining opportunities across the African continent, both independently and, where appropriate, in partnership with other stakeholders.

## Vision

Mwana Africa intends to create value through developing a broadly based portfolio of operations and exploration programmes in commodities and countries across the African continent, securing efficient and low-cost production, building trusted partnerships and being the preferred vehicle for African investors and entrepreneurs.

Mwana Africa is well positioned to build a truly pan-African resources group that brings strong returns for its shareholders and contributes significantly to the benefit of the African people and their continent.



## Strategy

Mwana Africa's strategy is based on:

- Multi-commodity assets: a strong spread of quality production and exploration assets, including nickel, gold, copper, cobalt, diamonds, gas, oil and zinc;
- Low-cost production: efficient management and tight cost control;
- Trusted partnerships: being the preferred vehicle for African investors, entrepreneurs and partners;
- High-quality management: led by a highly skilled and experienced management team which is able to secure beneficial deals, projects and returns; and
- Pan-African: a broad ranging portfolio in different countries across the African continent.



## Ghana



### Banka

Acquired in 2004, the Banka concession lies 50 kilometres to the south of the Konongo concession near Newmont's Akyem deposit. Mwana is earning 80% interest in a joint venture with Gulf Coast Resources Inc. The exploration programme embarked on thus far indicates the potential to host up to 500 000 ounces of gold.

### Ahanta

Mwana is earning 80% in a joint venture with Ahanta Mining Limited in a project which lies at the southern limit of the Ashanti Gold Belt. Airborne geophysics interpretations have indicated several major shear structures on the margins of the greenstone belt. Trenching in the central portion of the eastern anomaly has defined a 1.2 kilometre gold anomaly with grades of more than 1 gram per tonne over a width of up to 32 metres. Drill targets have been identified.

### Konongo

In a joint venture with Talos Ghana Limited, Mwana owns 70% of the Konongo property, situated at the north-eastern extent of the Ashanti Gold Belt in central Ghana, and covering an area of some 125 km<sup>2</sup>.

The 67 km<sup>2</sup> Kurofa prospecting licence, surrounding the Konongo lease, was granted in June 2005, and covers ground north and east of Konongo, including several high-quality targets identified from the interpretation of geophysical data. A sampling programme has been completed over the whole area, outlining several gold anomalies for follow-up by trenching.

Our recently completed resource evaluation for Obenemase Sulphite deposit has outlined a JORC compliant resource of 243 000 ounces of gold in the indicated and inferred categories. Re-evaluation of exploration data and exploration areas has identified a number of conceptual structural targets for small satellite deposits.

## Financial performance

for the six months to 30 September 2006

- Group turnover of **£46.05 million**
- Group profit before tax of **£25.98 million** (including £12.40 million of interest, denominated in Zimbabwean dollars, earned on Zimbabwean cash deposits)
- Group profit after tax and minority interests of **£10.53 million**
- Earnings per share (diluted) of **4.21 p**
- Positive cash flow from operations of **£9.39 million**
- Capital expenditure and financial investment of **£12.65 million**
- Cash, denominated in £ or US\$, at bank as at 30 September 2006 of **£45 million**



## Zimbabwe



### Bindura Nickel Corporation (BNC)

- 53% owned by Mwana
- Two nickel mines – Shangani & Trojan
- 5.6Mt ore reserves containing 31 000t of nickel in proved and probable reserves
- 6.8Mt mineral resources containing 72 000t of nickel in measured and indicated resources

While hyperinflation and a static exchange rate in Zimbabwe may result in some margin squeeze, the record highs in nickel metal prices recently provide a favourable backdrop for the operations. A feasibility study is currently underway to develop the Hunters Road Deposit. Shaft deepening and a new concentrator at the Trojan operation will extend the existing life of mine.

### Freda Rebecca Mine

- 85% owned by Mwana
- Processing capacity being expanded
- US\$5m committed as investment
- 354 000 oz proved and probable ore reserves
- 1 076 000 oz measured, indicated and inferred mineral resources

Phase 1 expansion plans to increase production to 48,000 ounces per annum are currently underway, with ore processing capacity expected to double. Phase 2 expansion should see ore processing capacity increase to 85 000 tpm from underground sources and 20 000 tpm from surface mining. Highly prospective exploration licences around the existing operation which may enable life of mine extension beyond the current 10 years estimate.

### Cluff Mining

In December 2005 Mwana Africa acquired Cluff Mining (Zimbabwe) Holdings Ltd, which owns a 50% interest in the dormant Maligreen gold mine. The other 50% is held by Pan African (Private) Limited, a Zimbabwe registered company which also manages the property. Mwana will assess the potential for growth in developing the near-mine resources as it also holds 100% of Cluff Mining Zimbabwe exploration titles in the surrounding area, with significant untested targets within a 10-kilometre radius of Maligreen. Exploration options are under review and the objective is to start on early drilling programmes.

### Makaha Deposit

Mwana Africa owns 100% of the Makaha deposit, located 140 kilometres north-east of Harare. This deposit has an indicated resource of 9.2 million tonnes at a grade of 1.2 grams per tonne. Open in depth with oxidised mineralisation up to 50 metres in width, Makaha would lend itself to open-pit mining. The work programme is under review.



## Democratic Republic of Congo (DRC)



### Zani-Kodo Joint Venture

Mwana holds 80% in the Kilo-Moto Joint Venture with Office des Mines d'Or de Kilomoto (Okimo), a 3 239 kilometre property – Zani-Kodo – in the highly prospective Ituri province in north-east DRC. A preliminary field-focused geological assessment has been completed and should enable Mwana Africa to initiate a first-phase exploration strategy which will concentrate on near drill ready targets as well as some regional surveys. The camp has been established and essential field equipment is on site.

### Société Minière de Bakwanga (MIBA)

- Entry into the diamond sector through purchase of Sibeka from Umicore, which holds a 20% stake in State-owned largest diamond producer in DRC, based in Mbuji-Mayi – MIBA
- Average annual total production over last 5 years around 6m carats pa
- Extensive mining and exploration titles over 76 000 km<sup>2</sup>

### Gravity Diamonds

- Merger with Gravity announced 16 November 2006 – completion expected April 2007
- Exploration licences – DRC and Australia
- Work alongside BHP Billiton (10.6% shareholder in Gravity)
- Twin track approach target, alluvial and kimberlite resources



### Katanga Concession

On the base metals side, Mwana Africa, through its purchase of Anmercosa Exploration Congo SPRL from Anglo American plc in 2004, has exploration rights over some 9 689 km<sup>2</sup> in the Katanga Copper Belt. The Anmercosa property (in which Mwana has a 100% beneficial holding), which is subject to a joint venture exploration agreement with Anglo American, has showings of copper, zinc and cobalt as well as some gold. Since acquiring the property, Mwana Africa Holdings has spent US\$3.5 million on exploration. At Kibolwe, resource drilling for copper/cobalt started in December 2006 and is expected to be completed in the first quarter of 2007. At Lombe, Mwana Africa and Anglo American have completed a ground geophysical survey. In the rest of the exploration area, 11 targets (ten for base metals and one for gold) are being followed up, all in the early stages of investigation.

## Directors and Management

### Oliver Baring – Chairman

Oliver Baring has recently retired as a managing director of UBS in the Corporate Finance Division, having had responsibility for the Africa and Mining divisions. Before the merger with SG Warburg, he was a partner of Rowe & Pitman, having spent five years with the Anglo American/De Beers Group in the US, UK and South Africa. He is Chairman of Ridge Mining PLC, non-executive Chairman of First Africa Holdings Limited, a non-executive director of Merrill Lynch World Mining Trust and of the Tiedmann Trust Company, and an advisor to The Sentient Resources Fund.

### Kalaa Mpinga – Chief Executive Officer

Kalaa Mpinga, a citizen of the DRC, worked for Bechtel Corporation in San Francisco before joining the LTA Group, a subsidiary of Anglo American Corporation in 1991. In 1995 he joined the New Mining Business Division of Anglo American, the division responsible for exploration and the acquisition of resources in Africa. He was an Executive Vice President and Alternate Director Anglo American Corporation of South Africa when he left Anglo American in December in 2001 to pursue business opportunities in mining, founding Mwana Africa Holdings in 2003.

### David Fish – Finance Director

David Fish qualified as a Chartered Accountant with Peat Marwick Mitchell & Company ("KPMG"), where he gained wide experience within numerous industries. In 1988 he joined Anglo American as a Finance Manager, and later became Finance Director for the New Mining Business Division. Until his retirement in September 2002, David held the position of Executive Vice President – Finance, Exploration and Acquisition and Alternate Director of Anglo American Corporation of South Africa Ltd.

### Dr Charl du Plessis – Vice President Exploration

Prior to joining Mwana Africa, Charl was responsible for brown- and greenfield African exploration at AngloGold, and subsequently AngloGold Ashanti, with a particular focus on projects in the DRC, Ghana and Tanzania. Earlier in his career, he held positions such as Production Geologist, member of Anglo American Corporation's Basin Analysis Team, and Regional Exploration Manager for AngloGold in Abidjan, responsible for projects in Ghana, Cote d'Ivoire, Burkina Faso, Senegal, Mali and Tanzania. He has worked with the South African Geological Survey (now the Council for Geosciences) and is a member of the AusIMM, Society of Economic Geologists, New York Academy of Sciences, Geological Society of SA and a founder and life-long member of the Tectonics Division of the GSSA.

### Ken Owen – Technical Director

Since 2003 Ken has been a mining consultant for SRK Consulting, advising on mining projects in Chile, Australia and South Africa, Konkola in Zambia and Selebi Pkwe in Botswana. Between 1996 and 2003 he was Senior Vice President Mining for Anglo American Plc in South America. From 1980 to 1995 he was employed by De Beers in a range of management positions in Namibia, Botswana and South Africa. Ken is a Fellow of the South African Institute of Mining & Metallurgy (FSAIMM).

### Luis Capitaio Martins – VP Engineering

Luis recently joined Mwana from Anglo American where he was Vice President Engineering in the Base Metals Division. He was based in South America for a number of years working on projects and operations. These included the Barro Alto Project and Salobo Copper Project in Brazil, the Codemin operation in Brazil, Loma De Niquel in Venezuela, Disputada, Collahuasi and Mantos Blancos, all copper operations in Chile. He was project manager for the Copebras Expansion project in Brazil. Prior to moving to South America he was in the New Mining Business Division with project experience at Namaqua Sands and in West Africa. His experience also includes gold mining and treatment in South Africa, Namibia and West Africa.

## Non-executive Directors

Tim Wadson, Stuart Morris

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