

The Kulu Tailings Operation



Presented by: **Nicolas Pozniakov** – General Manager, Kulu

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Corporate Structure of SMK

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Kulu Management

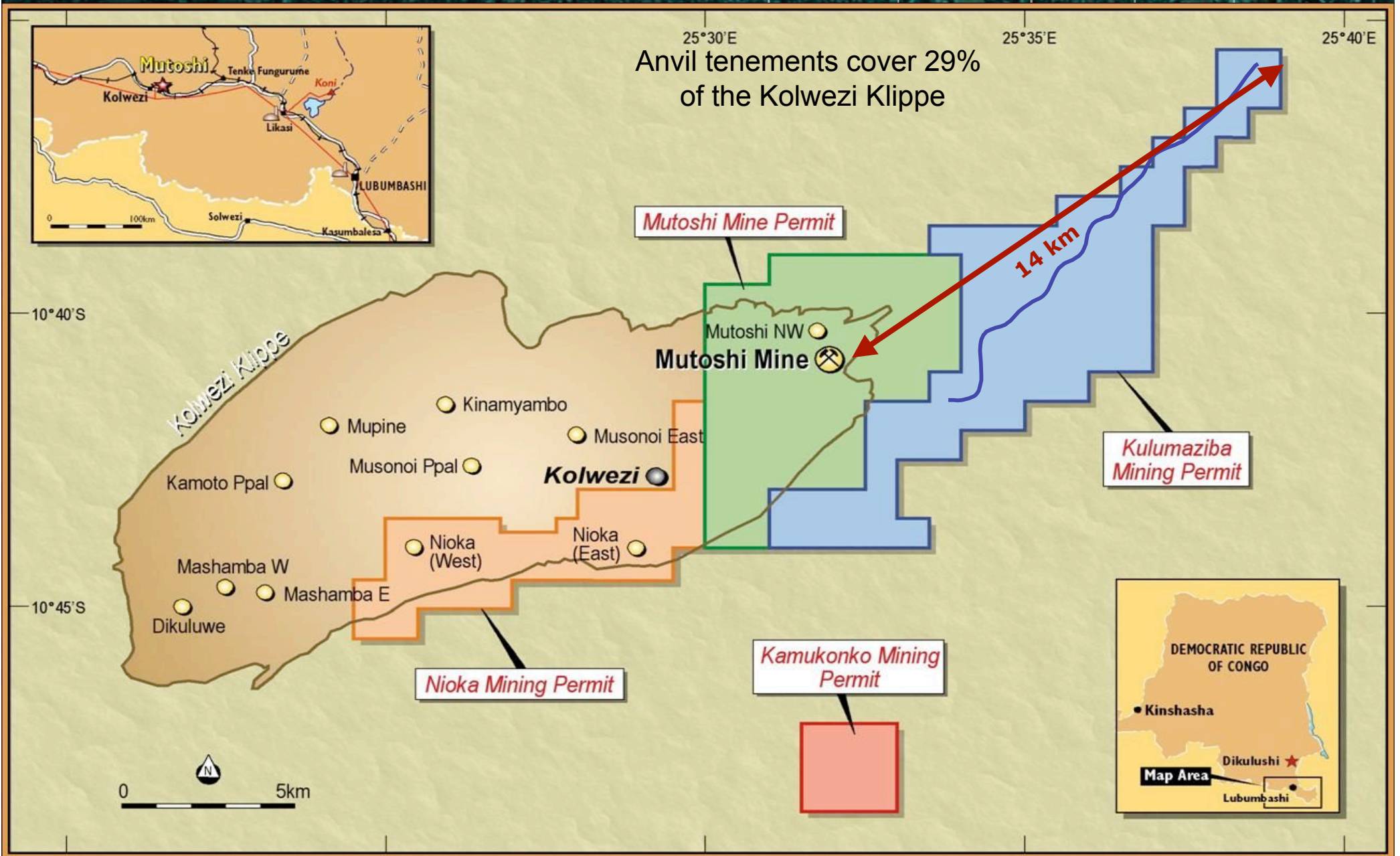
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Nicolas Pozniakov	General Manager
Peter Mensah	Operations Manager
Frank Ingham	Maintenance
Japhet Makwasha	HMS Plant
Filip De Witt	Security Manager
Frederic Perrot	Camp Manager
Douglas Sims	H.S.E
Peter Liefertink	Supply
Michel Santos	Social Development



Mutoshi Project Tenements

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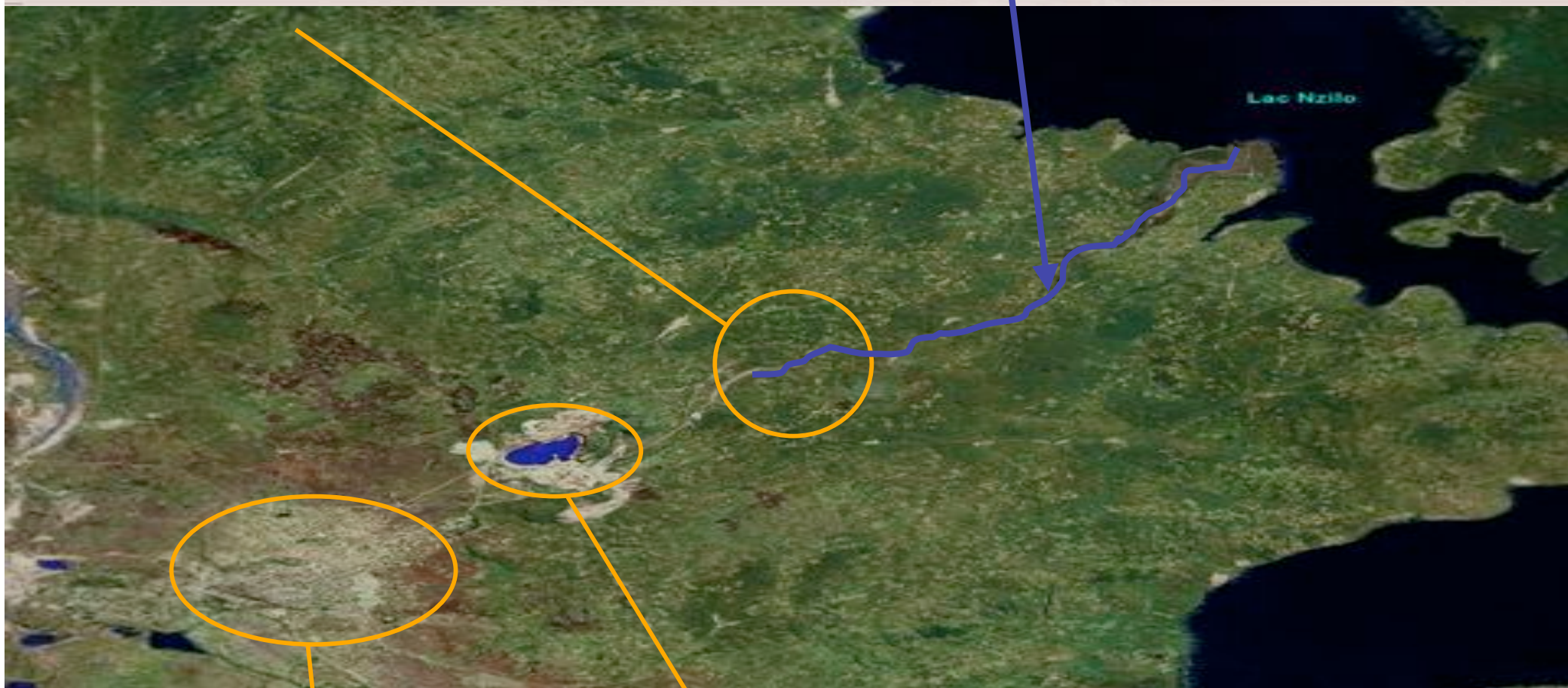


Kulu Plant Location

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HMS Plant

River



Kolwezi

Mutoshi

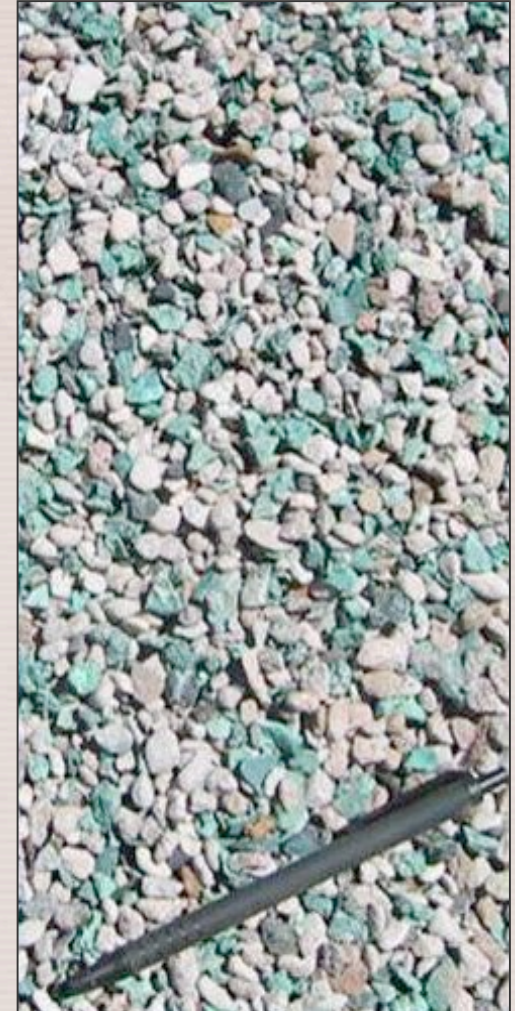


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Kulu Operation

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- **J.V. Agreement signed with Gescamines November 2004**
- **Construction of Plant commenced September 2005**
- **Mining commenced October 2005**
- **First Concentrate produced December 2005**
- **Designed Plant production April 2006**
- **Captured Cost \$7.5 million**
- **13 months from J.V. Agreement signing to commissioning**



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Kulu Coarse Rejects Operation

- **Coarse rejects deposit grading 4.4 % Cu**
 - Measured and Indicated Resource of
 - 4.3 Mt @ 4.4 % Cu
- **HMS commissioned in December 2005**
 - 385,000 tonne per annum plant (ex Dikilushi Mine)
 - First year head grade > 6% copper
 - No waste stripping, no drill and blast requirement
 - 2006 Production of 16,518 tonnes of Cu in 28.2% oxide concentrate form
 - 2006 Artisanal production of 3,440 tonnes of Cu in 25% oxide concentrate form

First Production – December 2005



Coarse rejects / tailings in creek bank



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Kulu Resource

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Mineral Resource of 255,000 tonnes of contained copper

Kulu Coarse Rejects / Tailings Deposit Resource (December 2005)			
Description and Classification	Tonnes	% Cu	Contained Metal Tonnes of Copper
Coarse Tailings			
Measured	919,000	7.2	65,900
Indicated	3,423,000	3.7	126,700
Total Measured and Indicated	4,342,000	4.4	192,600
Inferred	286,000	6.5	18,500
Fine Tailings			
Total Indicated	4,944,000	0.89	44,000



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Kulu Quarterly Production 2006

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	Unit	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FULL YEAR 2006
Tonnes Mined	Tonnes	25,032	89,036	106,678	51,968	272,714
Average In situ Grade from 0 -2 km	% Cu	7.5	8.9	8.2	7.6	8.2
Tonnes Treated	Tonnes	51,808	80,848	82,424	92,509	307,589
Average Grade	% Cu	8	8.5	8.2	7.6	7.6
Run off Mine Stockpile	Tonnes	78,423	86,656	106,678	73,631	345,388
Run off Mine Grade	% Cu	7.5	8.9	8.2	7.6	8.1



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Kulu Quarterly Results 2006

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	Unit	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FULL YEAR 2006
Ore Treated	Tonnes	51,808	80,848	82,424	92,509	307,589
* Recovery	%	58	72.6	70.1	62.6	66.5
Average Concentrate Grade	% Cu	28.6	28.7	28.3	27.4	28.2
Contained Cu Includes Artisanal Cu	Tonnes Cu	2,632	5,497	7,078	4,749	19,956

* % Recovery = produced Copper metal/copper metal contained in feed stock



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Social Development

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Managed in conjunction with Pact (an International NGO)

Job creation :

- Established fruit and vegetable farm
- Small business enterprises
- Agriculture
- Fish farms
- Alternate, safe artisinal mining sites
- Local mining contractor: De Moura Enterprises



Mining Kulu River

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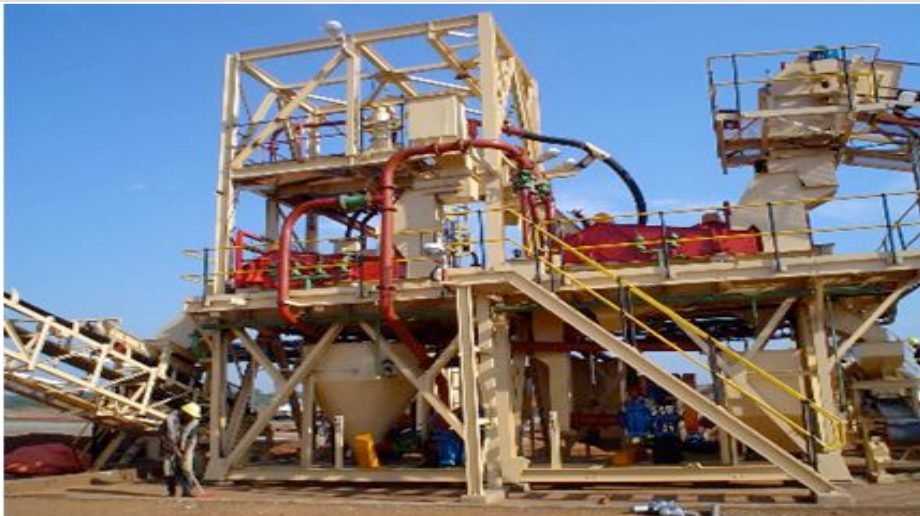
Load and Haul in Kulu River 1



Load and Haul Kulu River 2



Processing 1



Processing 2

