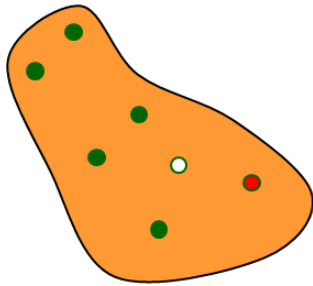


UNFC National Workshop Cuba

UNFC-2009 Project Scoring Exercise

Background information

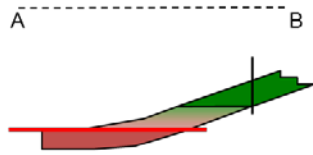
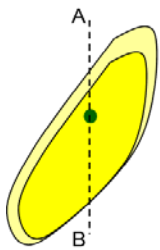
Project 1: Petroleum



| Project | Volume |
|----------------------|--------|
| Primary Recovery | 42 |
| Waterflood Recovery | 95 |
| Infill Drilling | 15 |
| LoSal Waterflood EOR | 15 |

- Geology
 - Well understood sandstone in a deepwater environment
 - Recovery uncertainty is well understood, and all values given for estimates are best estimates
- Feasibility
 - 5 wells producing from 7 well programme (all 7 will contribute equal volumes)
 - 1 junked well – evaluating repair or sidetrack
 - 1 yet to be drilled
 - Injection facilities start-up delayed 1 year
 - Infill drilling being evaluated
 - An enhanced oil recovery project has been proposed, but has significant technical barriers
- Socio – Economics
 - All government contracts and approvals are in place
 - Existing production scheme is in place with no minimal environmental impact and good community support

Project 2: Petroleum



| Project | Volume |
|-------------------------------|--------|
| Primary Recovery above LKH | 20 |
| Waterflood Recovery above LKH | 55 |
| Primary Recovery below LKH | 10 |
| Waterflood Recovery below LKH | 22 |

- Geology
 - New discovery in appraisal
 - Seismic indicates an anomaly flatspot consistent with the spill point of the structure
- Feasibility
 - One discovery well with an oil down-to
 - Pressures in well consistent with regional aquifer trend and contact at spill-point
- Socio-Economics
 - Long tie-back opportunity, WF doesn't work without government license renewal

Project 3: Nickel

- **Geology**

- The nickel-sulphide mineralization hosted by serpentines.
- Deposit comprises two separate serpentized mineralised bodies separated by between 80 m and 140 m of chloritic phyllite.
- Nickel is contained both in nickel sulphides and in silicates such as antigorite, olivine and pyroxene.
- Exploratory core drilling completed in 2 phases from 2010-2013.
- Appropriate logging and sample preparation procedures that enable the logical flow of the core from the drill rig through to sample dispatch; the core shed, logging, sampling and preparation facilities are clean, organised and appear well managed; appropriate security procedures are in place and the assaying has been carried out using appropriate techniques and by qualified laboratories.
- Independent review concludes that the assay and density information available of sufficient quality to support the estimates of mineral resources.
- Due to the large amount of drill data, it is possible to see clear geological continuity between sections and deduce a clear geological model for the deposit with all of the mineralisation occurring within the serpentinite body.
- 573 000 tonnes of total Nickel estimated with 0.179% grade. Out of this only 329 000 tonnes is estimated as sulphide nickel with 0.103% grade. This has a medium levels of confidence and very low geological complexity.
- 20 000 tonnes of total nickel estimated with 0.166% grade. Out of this 10 000 tonnes of nickel is estimated as sulphide nickel with 0.004% grade. This is low confidence quantities estimated based on extension of the ore body approximately 50 m down dip of the last drillhole intersection on the section line.
-

- **Feasibility**

- Preliminary economic Assessment done in 2014.
- Company proposing to undertake a pre-feasibility study in 2016.
- Nearest airport 40 Kms. Can be accessed by regular roads, with about 9 km by gravel roads
- Major port 150 Km from project.
- Power supplies available

- Water supplies available, but requires permits.
 - Preliminary studies reveal that high proportion of the sulphide nickel is recovered in the flotation process whereas the non-sulphide nickel reports predominantly to tailings.
 - A nickel feed grade of 0.17% total nickel or 0.1% Sulphide Ni, can produce a concentrate with a grade of 28% at an 80% recovery of Sulphide Ni.
 - Open pit mining could be feasible. About 90% mining recovery is estimated.
 - Metallurgical testwork has been undertaken on samples of the nickel sulphide ores
- **Socio - Economics**
 - Significant markets has been developed for nickel
 - Exploration permit and exploitation concessions currently held. Will be filing for environmental permit soon.
 - PEA states that the environmental impacts of the proposed project are not deemed significant. Following cessation of operations, the area is expected to be returned to a prior-to-intervention state except for the presence of pit lakes and new topographic highs from the storage facilities for waste rock and tailings, which shall be rehabilitated.
 - Social and economic impacts will largely be positive particularly through new job creation, increased economy of the region and increased tax revenue to local authorities
 - Potential negative impacts stem from loss of land for other uses, e.g. agriculture, dwellings, recreational activities and fishing.
 - Corporate Social Responsibility programme initiated .

Project 4 Uranium

- **Geology**
 - Sandstone type deposit
 - Uraninite accounts for 80% of mineralization
 - Borehole spacing 50 x 50 m - estimated 10 000 tU @ 0.040 % U (recoverable confirmed by DFS)
 - Borehole spacing 100 mx 100 m – estimated 20 000 tU @ 0.040 % U (recoverable confirmed by DFS)
 - Quantities estimated outside ore boundary – 15 000 tU @ 0.035 % U (not considered in DFS)

[Quantities estimated at 50 x 50 m and 100 x 100 m are generally found to have high and moderate levels of confidence]

- **Feasibility**
 - Detailed Feasibility Study (DFS) completed
 - Mining method – Open pit
 - Process – Heap leaching
 - Total recovery – 75 % (10% mining loss; 15% processing loss)
 - Cost \$120/KgU
- **Socio - economics**
 - Markets available
 - All approvals and licenses in place
 - Social acceptance confirmed through public hearing; CSR programme in place
 - Awaiting further investment decision

Scoring Sheet

Project 1

| Project | E | F | G | Class/Sub-Class | Volume in mmboe | PRMS (optional) |
|------------------|---|---|---|-----------------|-----------------|-----------------|
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| Total Quantities | | | | | | |

Project 2

| Project | E | F | G | Class/Sub-Class | Volume in mmboe | PRMS (optional) |
|------------------|---|---|---|-----------------|-----------------|-----------------|
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| Total Quantities | | | | | | |

Project 3

| Project | E | F | G | Class/Sub-Class | Quantity (tU) Grade %U | CRIRSCO (optional) |
|------------------|---|---|---|-----------------|------------------------|--------------------|
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| Total Quantities | | | | | | |

Project 4

| Project | E | F | G | Class/Sub-Class | Quantity (tU) Grade %U | CRIRSCO (optional) |
|------------------|---|---|---|-----------------|------------------------|--------------------|
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| Total Quantities | | | | | | |