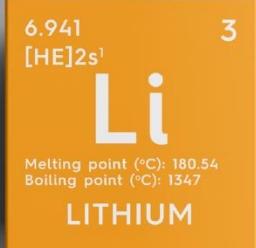


# Challenging Times for Exploration & Mining in Africa



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The technical information contained in this presentation has been reviewed by Mr. Mike Evans, M.Sc. Pr.Sci.Nat., who is a qualified person for the purpose of National Instrument 43-101 and a consulting geologist to Montero.

# A Changing World and its Effects on Africa



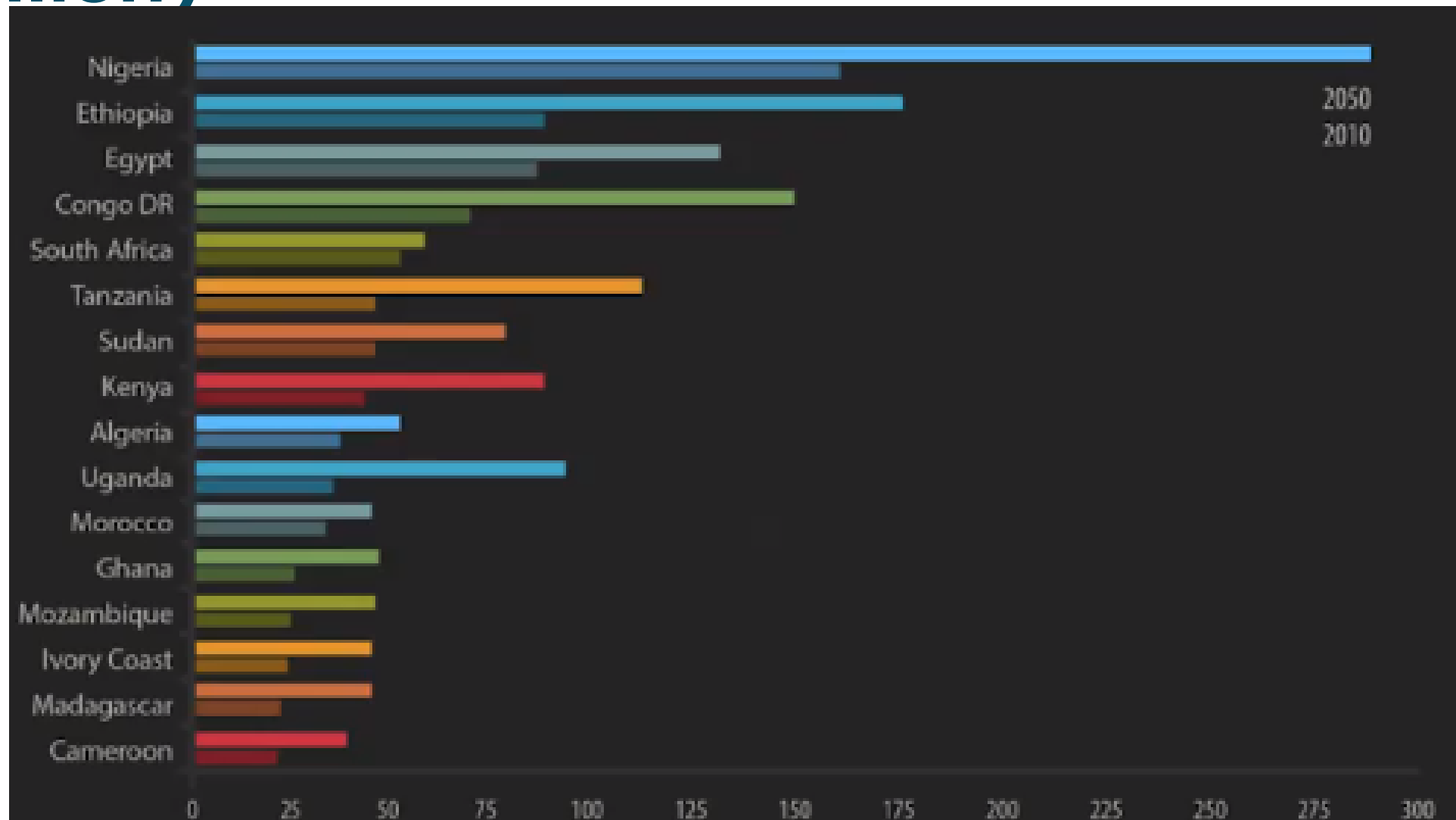
# The Choices – Hopeless or Rising?



# Global Megatrends

- **Technology**
  - Datafication of our lives
  - IoT, blockchain, computer power and AI
  - Robotics & Automation
  - Virtual money, Cryptocurrency streamlining transactions
- **Population**
  - Increase in Africa, stable in LA, SEA, decline in NA, EU, EE-A and China/India
- **Politics**
  - Rise of dictatorships and populist ideologies, challenges to capitalism
  - Global empowerment through social media, hacking?
  - China Rising – trade and investment strategy

# Population – Africa Growth 2010 to 2050 (2 billion)



The most populous countries of Africa.

Forecast 2050: Africa will have 2 billion inhabitants.6

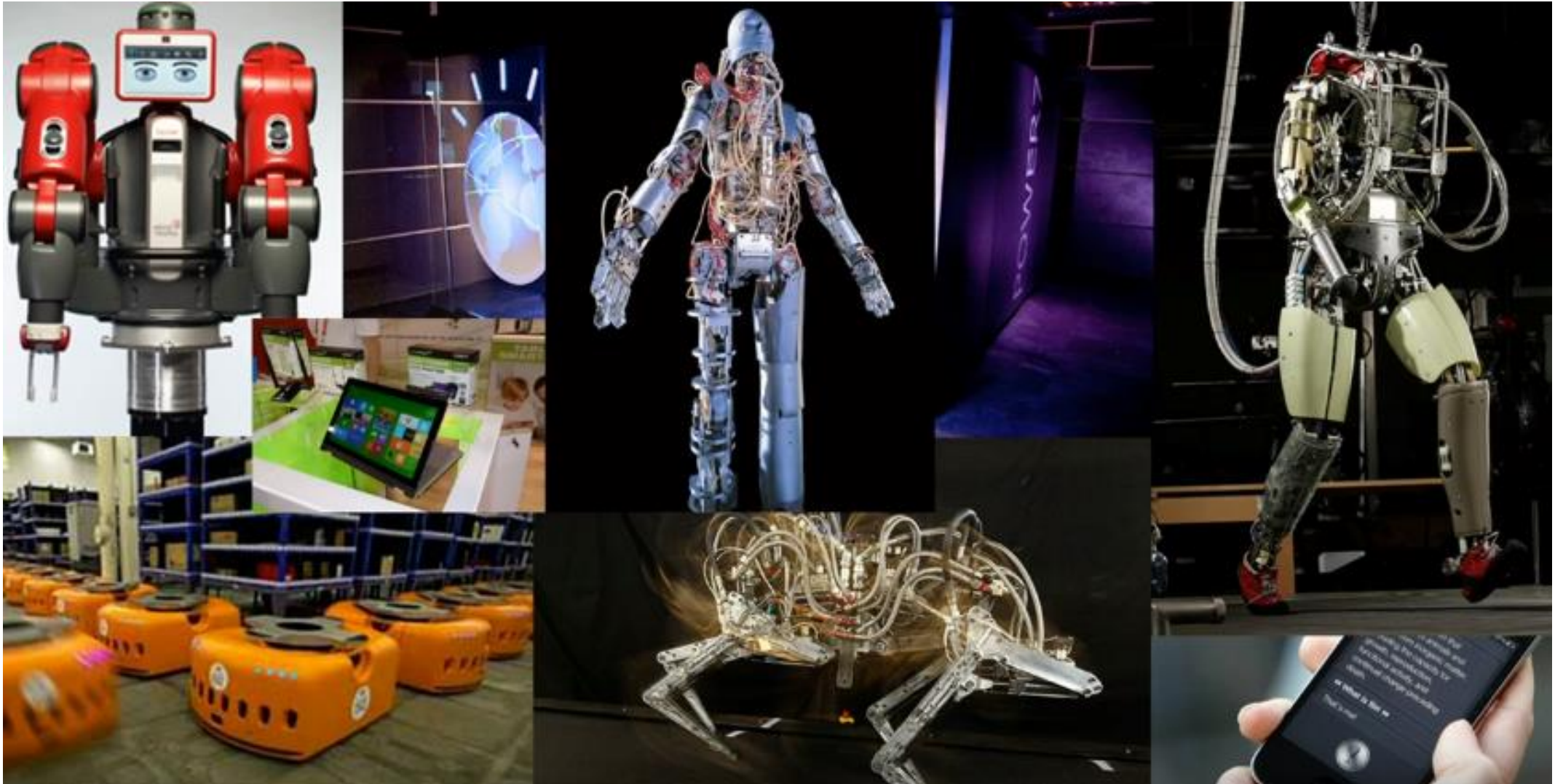
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# Technology - The Age of the Robot

**“Robots will transform almost every industry and service sector, particularly in the area of extractive sector where safety is the first issue and efficiency imperative.”**

# Technology - The Age of the Robot





# How Does this Affect Exploration & Mining in Africa?

- African countries are developing or underdeveloped
  - Poor education, infrastructure, health
  - Poor governments, corruption and governance
- Africa is the only continent that is growing in population
  - Urbanisation issues
  - Pressure on government to deliver basic needs
  - Huge youth population and growing with no work or prospects
  - Africans are tired of being exploited
- Africa has huge undeveloped & rich mineral resources
  - Challenges include, infrastructure, changing legislation, corruption, social pressures

# What Happened in Tanzania?

## Why did Barrick sell Acacia Mining minorities down the river?

By David McKay - November 8, 2017

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John Thornton, Barrick Gold chairman with Tanzania president, John Magufuli

## Political tension slows mining activity in Tanzania

BY: VICTOR MOOLMAN 10th November 2017 Despite the fact that political tension in Tanzania has impacted the mining industry, with several operations subsequently closing, SEW-EURODRIVE continues to have a strong presence in the country, with Tanzania as its main hub for East Africa. SEW-EURODRIVE South Africa national sales manager... →

## Acacia CEO quits two weeks after Barrick compact with Tanzania

By David McKay - November 2, 2017

1919 9

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Brad Gordon, CEO, Acacia Mining

## Acacia, Tanzania dispute intensifies over employee detention

BY: HENRY LAZENBY 28th July 2017 Barrick Gold's majority-owned African business segment Acacia Mining has reported that a senior international employee of its subsidiary Pangea Minerals has been detained by Tanzania authorities. The official was prevented from leaving Tanzania on Friday morning and had his passport confiscated.

DEAL OR NO DEAL?

## Tanzania's squeeze on mining firms seems to be working as it gets \$300 million in back taxes

## Tanzanian leader's war for taxes puts economy in firing line

BY: BLOOMBERG 18th September 2017 Tanzanian President John Magufuli's deepening dispute with companies he accuses of being tax cheats is rattling investors and dimming the allure of one of Africa's fastest-growing economies. Since taking office in late 2015, Magufuli has been on a drive to increase revenue from natural resources... →

## Acacia's gold production slumps on Tanzania export ban, downscaling

BY: MIA BREYTENBACH 26th January 2018 While gold miner Acacia Mining's gold production for the fourth quarter in 2017 was slightly ahead of expectations at 148 477 oz, it was 30% lower quarter-on-quarter as a result of its flagship Bulyanhulu gold mine in Tanzania having downscaled operations. The miner's decision to reduce... →

# And in South Africa.....

## Change in regulations comes at cost for SA mines

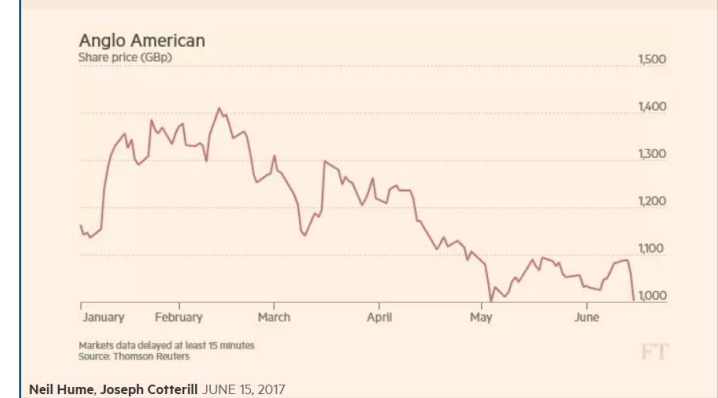
### Mine regulations changing in South Africa



## AngloGold output up but loss looms on impairment, retrenchment, silicosis costs

31st January 2018 Gold mining company AngloGold Ashanti produced more gold in the 12 months to December 31 than in the same period of 2016, but is heading for a basic loss for the period on impairment, retrenchment and silicosis settlement costs, the company said in a trading statement on Wednesday. Full-year... →

## Changes to South Africa mining rules hit Anglo American shares



## Record-breaking year for Richards Bay Coal Terminal

26th January 2018 Despite a loss of 38 days to bad weather, 2017 has been a record-breaking year for South Africa's Richards Bay Coal Terminal (RBCT) in KwaZulu-Natal, which loaded a record 76.47-million tonnes of South African-mined coal in the 12 months to the end of December. The private sector terminal, which... →

## Regulatory uncertainty casting shadow over SA amid forecast for further minerals market uptick

# Mitigating the Challenges – Create Value for All

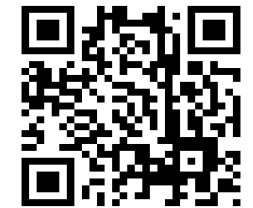
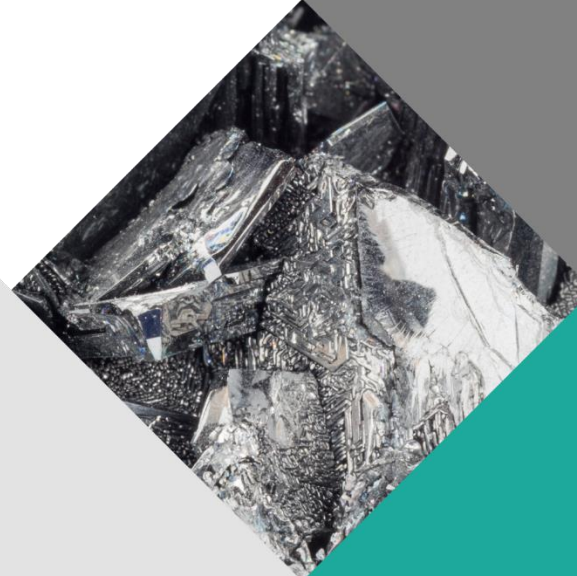
- Learn from past mistakes and create value for all stakeholders
- Form local operating companies where all the profits are made and shared
- Train and upskill local nationals and aim to have 100% local management
- Prioritise “outsourcing” to local companies, upskill if required
- “Partner” with governments, regional authorities and local communities
- Demonstrate to “Partners” the benefits business brings and action these during project life

# Global Mining and Metals – Optimistic!

- **Commodity prices on the rise, share price rise, companies in positive cost and cash positions**
- **Exploration and Mining companies now face key choices about where to invest and how to position themselves in the coming years**
- **Mining companies willing to engage in substantive change, by re-thinking strategy and embracing stakeholder partnering and unlocking productivity will succeed**
- **Companies require strong leadership, greater collaboration and adoption of a long-term view**



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Dr. Tony Harwood, CEO  
Montero Mining & Exploration Ltd.  
[monteromining.com](http://monteromining.com)