



Eurasian Resources Group

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MEDIA RELEASE

ERG signs agreement with DRC's SNEL, Rawbank and CEC of Zambia to secure electricity supply

Metalkol SA ("Metalkol"), a major cobalt and copper tailings reprocessing operation and a low-cost hydro-metallurgical facility owned by Eurasian Resources Group ("ERG" or "the Group"), a leading diversified natural resources group, has signed an agreement to secure its electricity supply for up to ten years.

The contract was agreed with Société National d'Electricité ("SNEL"), the national electricity company of the Democratic Republic of the Congo (DRC); the Copperbelt Energy Corporation Plc ("CEC"), a Zambian incorporated power transmission, generation and distribution company, which is a major developer of energy infrastructure in Africa; and Rawbank, a top commercial bank in the DRC.

The agreement to supply electricity is comprised of two phases: the first will run until Q2 2019 with a total of 62MW delivered. Following this, the power supply will ramp up to 78MW per year during the second phase and for the remainder of the contract.

CEC's Managing Director Owen Silavwe, SNEL Director General Jean-Bosco Kayombo Kayan and the CEO of Metalkol, Patrick Mulumba are the signatories to the agreement.

Benedikt Sobotka, CEO of Eurasian Resources Group, commented: "This is an important milestone in the progress of the Metalkol RTR project, a unique development for the global battery industry. It is an example of sustainable and environmentally conscious treatment of the local environment, and of our wider strategic ambitions in Africa. We are proud of our strong stakeholder relationships in Central Africa which have enabled us to secure these agreements. Together with our partners, who are vital companies in their respective countries, we have found an effective solution to guarantee a reliable electricity supply, which has previously been an issue in the region."

Owen Silavwe, Managing Director of CEC, said: "Supplying baseload power requirements to mining houses is CEC's principal business. With many years' experience successfully supplying reliable power for mining operations in both Zambia and the DRC, this agreement demonstrates CEC's commitment and agility to meet the specific requirements of customers in the DRC market. It also reaffirms CEC's partnership with SNEL and the mining community in the DRC. CEC has put together a robust portfolio of power sources, invested in transmission networks in Zambia, including the only interconnection of DRC's SNEL network to the regional interconnected network, and is proactively finding solutions to customers' changing needs. We are excited by the opportunity to extend our services to Metalkol and to provide an effective power solution that will contribute to the success of the Metalkol RTR project."

Jean-Bosco Kayombo Kayan, SNEL Director General, said: “SNEL has a mission to contribute to the economic development of the DRC by providing as much energy as possible to industrial producers operating in the country. With this aim in mind, SNEL has entered into an agreement with Metalkol in order to respond to its demand for energy in the most efficient way. The trilateral agreement signed by Metalkol, CEC and SNEL demonstrates SNEL’s willingness to serve its customers by offering its expertise in the Southern African energy market.”

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About Eurasian Resources Group:

ERG is a leading diversified natural resources group with integrated mining, processing, energy, logistics and marketing operations. The Group operates in 15 countries across four continents and is represented by more than 85,000 people.

ERG represents one third of the metals and mining industry in the Republic of Kazakhstan and is a global leader in ferrochrome production by chrome content as well as a large supplier of iron ore, aluminium, alumina and steam coal. The Group also provides electric power distribution and railway operation services. ERG manages production entities in Kazakhstan that are among the nation’s foremost enterprises, including Kazchrome, SSGPO, Kazakhstan Aluminium Smelter (KAS), Aluminium of Kazakhstan, Eurasian Energy Corporation, Shubarkol Komir, Transportation Group TransCom and the Pavlodar Machinery Plant.

ERG is also a principal cobalt and copper producer through its operations in Africa, including the Metalkol Roan Tailings Reclamation (RTR) project, a major tailings reprocessing operation in the Democratic Republic of the Congo, as well as Boss Mining, Frontier Mine and Comide. Chambishi Metals, the Group’s refinery in the Republic of Zambia, is an LME-registered cobalt metal and copper cathode producer.

The Group has further development projects in thermal coal, manganese, platinum, bauxite and fluorspar in South Africa, Zimbabwe, Mali and Mozambique. ERG controls its own supply chain on the continent through its company SABOT, a North-South Corridor logistics specialist.

In the State of Bahia in Brazil, ERG is pioneering an integrated mining and logistics project comprising the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated new FIOLE broad-gauge railway.