

Shannon Leahy

Trade and Investment Commissioner

Austrade

Cambodian Mining Industry Workshop

Agenda

- Opening Remarks
- Cambodian Mining Industry Overview
- Cambodian Mining Industry Insights
- Investor case study: firsthand experience establishing Cambodia's first commercial gold mine
- Panel Discussion
- Closing Remarks

Ask a question slido.com #cambodiamining

Rebecca Ball

Senior Trade and Investment Commissioner

Austrade

His Excellency Ung Dipola

Director General

General Department of Mines and Resources,

Cambodian Ministry of Mines and Energy



Kingdom of Cambodia Nation Religion King









Cambodian Mining Industry

Ung Dipola

Director General

Cambodia Mining Industry

I. Cambodia-Australia Trade

II. Mineral Situation

- 2.1. Mineral Resource Potential
- 2.2. Current Status on Mining
- 2.3. Mining Investment

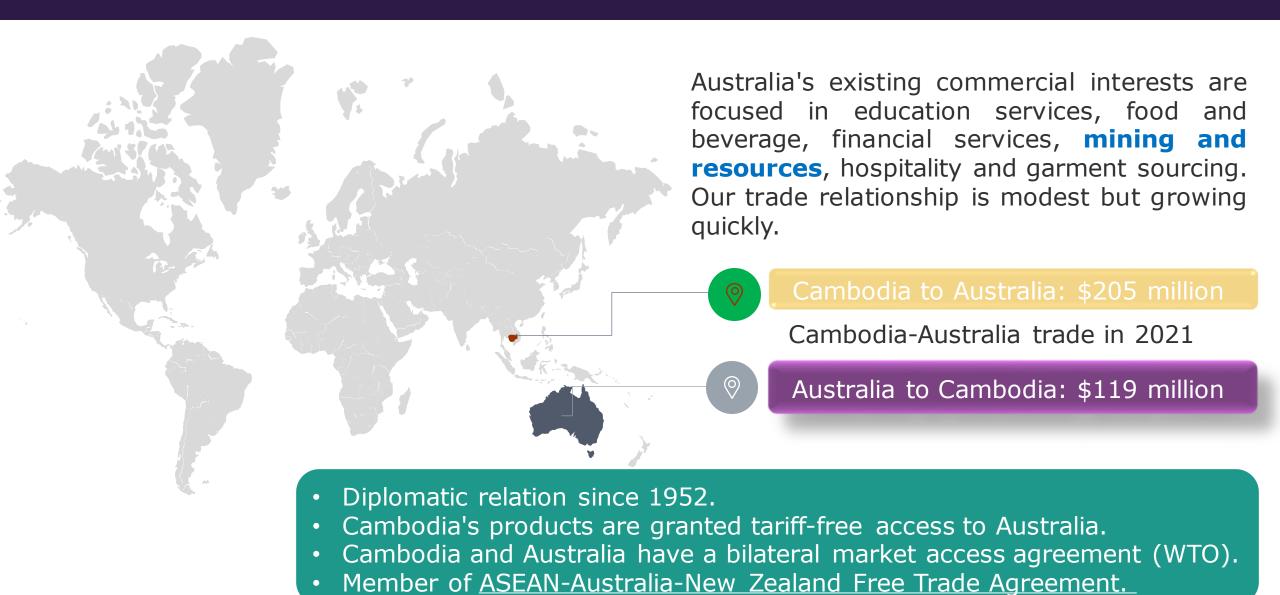
III. Mineral Resources Management

- 3.1. Principle of Mineral Management
- 3.2. Procedure for Mineral Licenses
- 3.3. Obligation
- 3.4. Mineral Export

IV. Incentive for Minerals Investment

- 4.1. Facilitation
- 4.2. Incentives
- 4.3. Aftercare

I. Cambodia-Australia Trade



2.1 Mineral Resource Potential

- Cambodia is tectonically suitable for mining investment.
- Sufficient mineral resources: minerals/rocks for construction (sand, dimension-stone, crushed stone)
- Gold is highly Potential.
- Strategic minerals such as Aluminum, Copper, Uranium and others to be explored.



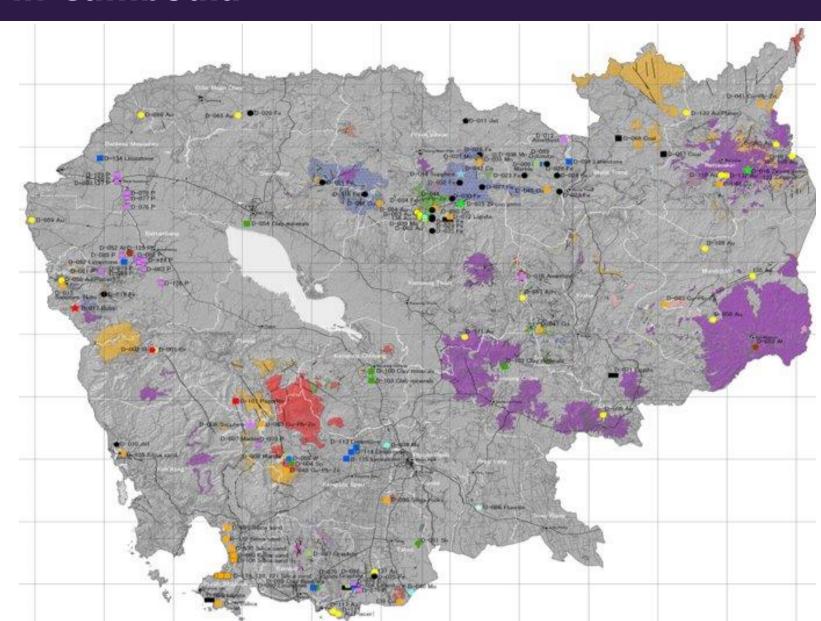




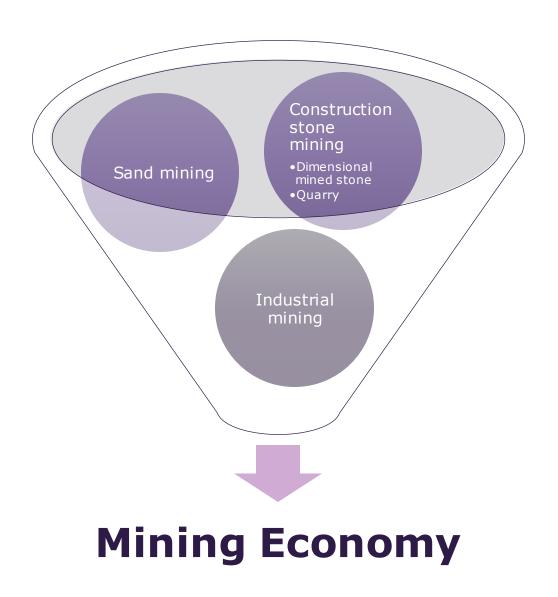


2.1 Mineral Resource Potential

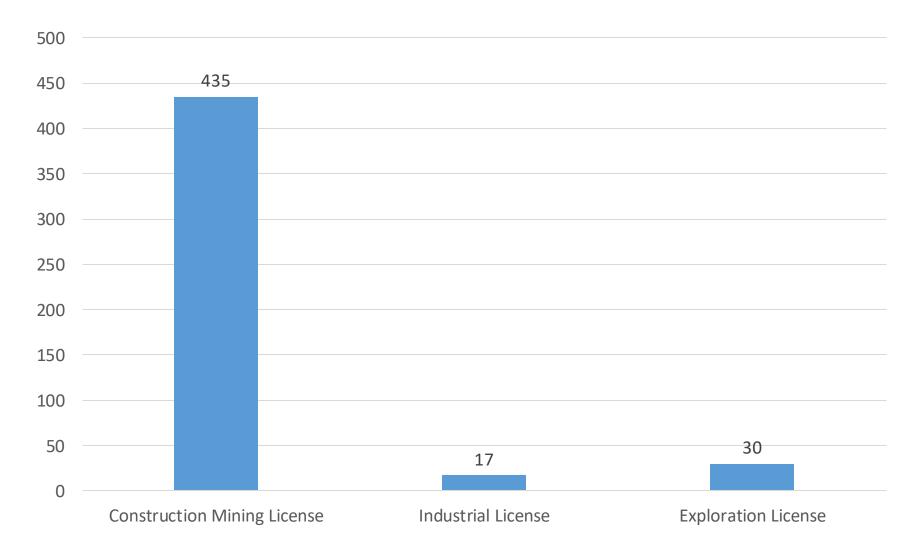




2.2. Current Status on Mining



2.2. Current Status on Mining



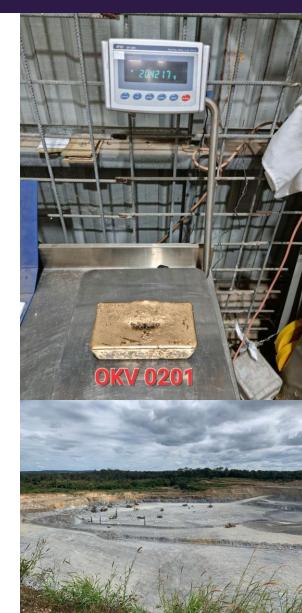
2.2. Current Status on Mining

Mineral product/year	Production quantity
	2021
1. Gold (kg.)	Approx. 1,344 Kg (6months)
2. Coal (ton)	19,000
3. Limestone (ton)	10,5 M
4. Cement (ton)	8,8 M

^{*} Excluding a sufficient amount of mineral for construction

Success story of Renaissance Minerals (Cambodia) Co., Ltd.

- Start investment on Exploration in Cambodia in 2007
- First Exploration License in 2007
- Okvau project Single pit, 2.0g/t, 907,000 ounce gold reserve
- Industrial Mining License for gold mining in Okvau, Keo Seima, Mondulkiri, in 2018
- Total investment for gold mining and processing 120 million USD
- Started first gold pour on 21st June 2021 under H.E Suy Sem, Minister of Mine and Energy
- Okvau project, ramped up to +110,000 ounce per annum rate.
- Gold Dore Bar (90%) produced 3,018Kg (dated 16-06-2022)



Success story of Renaissance Minerals (Cambodia) Co., Ltd.









Cement production plants





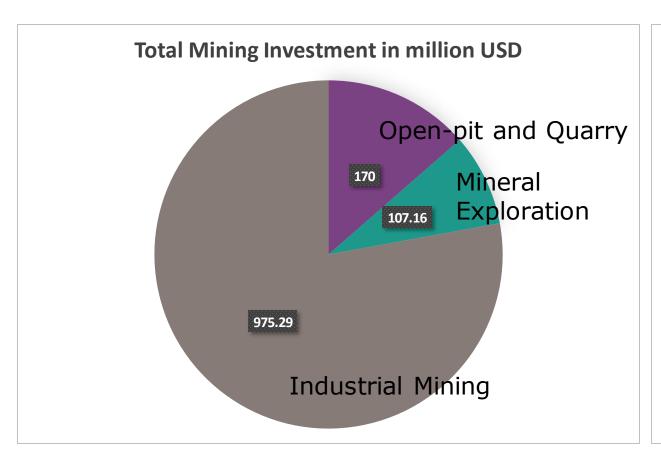


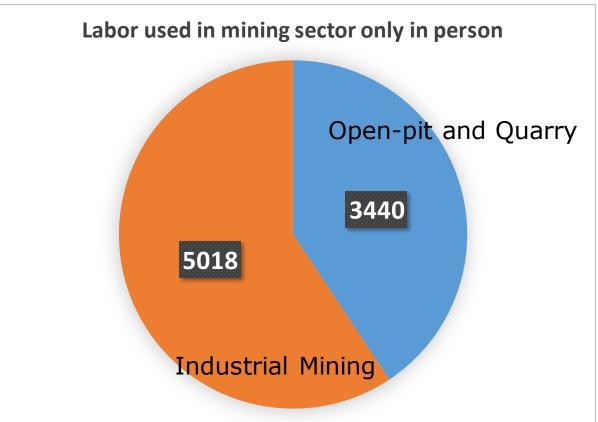




Annual cement production is about 9 million tons for year 2021

2.3. Mining Investment

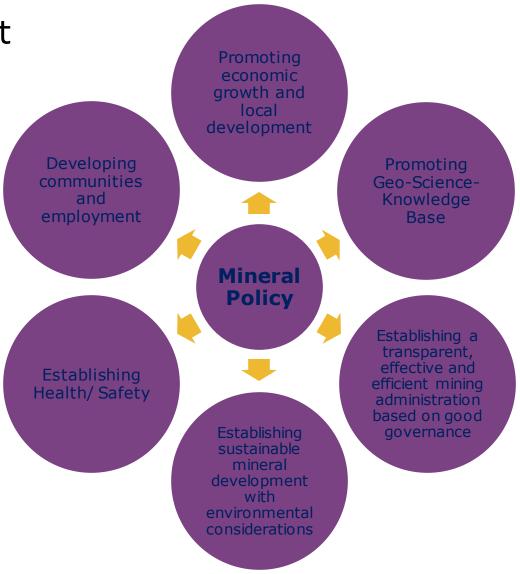




3.1. Principle of Mineral Management

Cambodia's Mineral Policy was formulated to focus on **6 main key elements** as follows:





18

3.2. Procedure for Mineral Licenses

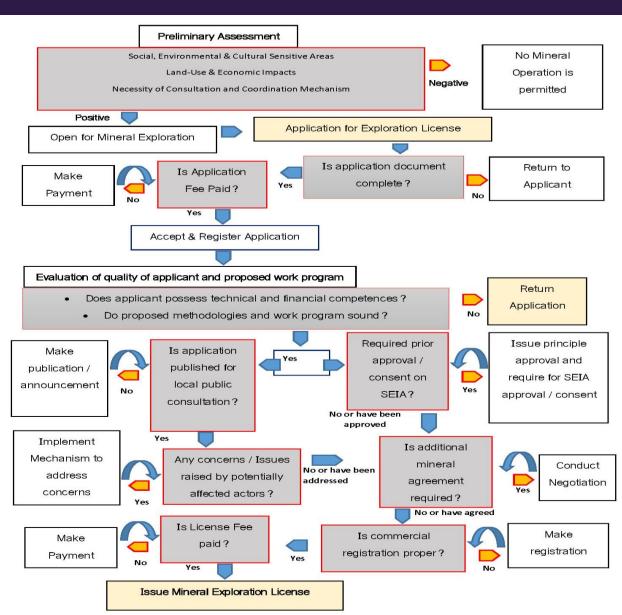
- The Law was promulgated on 13 July 2001 and undergone an amendment on 21 June 2018. It defines 6 types of mineral licenses:
- 1. Artisanal Mining License
- 2. Pits and Quarries Mining License
- 3. Gem Mining License
- 4. Mineral (Gemstone) Cutting License
- 5. Mineral Exploration License
- 6. Industrial Mining License



3.2. Procedure for Mineral Licenses

A. Mineral Exploration License

Based on Sub-Decree No. 72 dated 5 May 2016 on The Management of Mineral Exploration and Industry Mining Licenses, set out the procedures for granting Mineral Exploration Licenses as follows:



3.2. Procedure for Mineral Licenses

A. Mineral Exploration License

- The initial mineral exploration license is valid for 3 years. It can be renewed up to 2 times for a period of 2 years.
- He/she is required to:
 - A. Pay (1) New Expl. License/ Renewal Expl. License = 5,000 USD (2) Surface rental
 - ❖ From Year 1 Year 3 = 20 USD/Km2/Year
 - ❖ From Year 4 Year 5 = 30 USD/Km2/Year
 - ❖ From Year 6 Year 7 = 50 USD/Km2/Year
 - ❖ From Year 8 and Above = 100 USD/Km2/Year
 - (3) Tax and other fees concerned under the Taxation Law
 - B. Provide to MME with a bank guarantee letter issued by a selected bank in Cambodia within 30 days prior to the commencement of any exploration stage.

3.2. Procedure for Mineral Licenses

B. Industry License (Exploitation)

Base on Sub-Decree No. 72 dated 5 May 2016 on The Management of Mineral Exploration and Industry Mining Licenses, set out the procedures for granting Industry Mining Licenses as follows:

1. He/she submit his/her final feasibility study and mining project to MME for review and approval.



2. MME write to him/her to inform his/her final feasibility study and mining projects are approved, and requires him/her to conduct full environmental impact assessment (EIA) and submit it to MoE for review and approval.

4. One-Stop-Service of CDC approved his/her mining project and cash flow analysis, and then issue and official letter on its approval on his/her mining project in a specific mining area under the area of mineral exploration license.



3. When EIAS was approved by the MoE, he/she has to submit it to MME for review. MME and Energy will submit all of his/her papers concerned to the one-stop-service of the Council for the Development of Cambodia (CDC) for review and decision.



5. After getting approval from CDC, MME will issue a first mining license valid for a specific period under the approved mining project.



3.2. Procedure for Mineral Licenses

- B. Industry License (Exploitation)
- A first mining license shall be issued for a valid of 21 years or equal to the life of mining project or mineral deposit. It can be renewed up to 2 times for a period of 10 years.
- He/she is required to:
- A. Pay for (1) a New Mining License/ Renewal Mining License = 12,500 USD
 - (2) Surface rental
- From Year 1 Year 5 = 700 USD/Km2/Year
- From Year 6 Year 10 = 1,000 USD/Km2/Year
- From Year 11 Year 21 = 1,500 USD/Km2/Year
- From Year 22 and Above = 2,000 USD/Year
 - (3) Profit Tax = 30% and other fees concerned
- B. Deposit (1) mines restoration fund
 - (2) environmental fund and
 - (3) development fund for local communities; and
- C. Pay Minerals Royalties concerned.

3.3. Obligation

The Laws and Relevant Regulations are defining the obligation for Mineral operation as follow:

- 1. Financial obligations
 - ➤ Non-tax obligation such as License fee, Land wage, Royalty, Mineral Community Development Fund, Management and Training Mineral Fund, and other admin fee.
 - > Tax obligation Such as Tax on revenue, Tax on profit, and other Relevant tax.
- 2. Compensation
- 3. Restoration of mines sites
- 4. Training and employment
- 5. Environment protection



3.4. Minerals Export

On 22 September 2016, the Government adopted **Sub-Decree No. 195** to manage the Export of Mineral Products, defining that:

- All mineral products are allowed to export under the conditions of the Sub-Decree except uranium and radioactive products.
- Export Permit issued based on the assessment of highest benefits values compared with the economic-socio-environmental benefits.
- All mineral products, used as raw materials to supply domestic industries, shall be banned from export, except the following situations to be considered by the Government to allow for export:
 - Economic-socio advantages/benefits for a short- and long-term export of mineral products - higher than ones promoted to be manufactured in the country;
 - Mineral products to be processed/manufactured cause serious environmental impact to the society;
 - Mineral products are produced in surplus demand for local industries and not in the lists of mineral products banned for export.

IV. Incentives for Mining Investment

General Department of Mineral Resources

- FDI 100%
- New taxation law
- New investment law
- Competitive Royalty rate (3,6,8%)
- JORC / CRIRSCO standard accepted

Young and Energetic people

Energy Grid

Infrastructure &

Access to the sea

- Steady politics
- Fast growing economy (7% av. Last decade)
- Clear Mineral Policy and regulation
 - Mineral Export

Public/Private Dialogue



LAW ON INVESTMENT OF THE KINGDOM OF CAMBODIA

17 February 2022

o-business Approach

Facilitation



Incentives

Aftercare



Investment Facilitation

Investment Registration





Enhanced Mechanism





5

Investment Facilitations



Within 20 Working Days



Single Registration Certificate





Investment Registration



Registration through IT platforms https://qip.cdc.gov.kh Link to CamDX



Registration Certificate shall be affixed with a barcode with identification number or QR code or other technology



Investment Projects that have obtained a Registration Certificate may be implemented automatically

Investment Facilitations



Issuance of the letter to certify the status as an investor



Special Procedures related work permit





Strengthening One Stop Mechanism



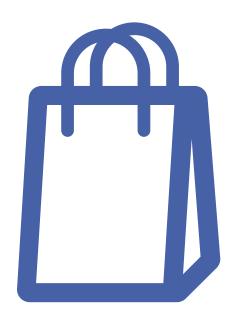
Strengthening Monitoring and Inspection Mechanism



Organizing the mechanism for Approval Processes at the Municipal-Provincial Investment Sub-Committees







Investment Incentives

Priority | Basic Incentives | Additional Incentives | Special Incentives









Investment Incentives

Investment sectors and activities are entitled to investment incentives:



















...other sectors and investment activities deemed by the RGC to have potential for socio-economic (Art. 24 and 28)

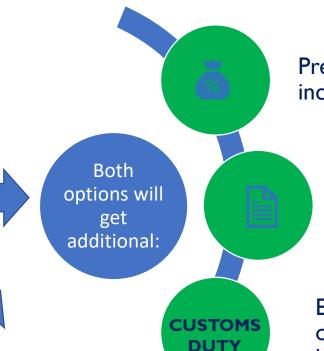
Fiscal Incentives

Basic Incentives



Option I

- Income Tax Exemption for 3 to 9 years from the time of first earning its income
- Payment of income tax at a progressive rate to 6 years after the expiration of the income tax exemption period :
 - First 2 years : 25% (equivalent to 5% tax rate)
 - Next 2 years: 50%(equivalent to 10% tax rate)
 - Last 2 years: 75% (equivalent to 15% tax rate)



Pre-payment tax exemption during income tax exemption period

Minimum tax exemption, provided that independent audit report is carried out

Export Tax exemption, unless otherwise provided in other laws and regulations

Option 2

- Special depreciation
- Deducting up to 200 percent of specific expenses



Fiscal Incentives

Basic Incentives

Exemption on

- (I) Customs Duty
- (2) Special Tax and
- (3) Value-Added Tax

for the import of:





Production Equipment







Fiscal Incentives

Additional Incentives



□ Value-added tax exemption for the purchase of locally made Production Inputs

- Deduction of 150% from the tax base for (a) Research, development and innovation, (b) Provision of vocational training (c) Construction of accommodation, canteens, nurseries and other facilities (d) Upgrade of machinery and (e) Provision of welfare for Cambodian workers/employees
- Income tax exemption for the Expansion of QIP

Tax Incentives



Special Incentives



Any specific sector and investment activities having high potential to contribute to national economic development (determined in the Law on Financial Management).



Investment Aftercare

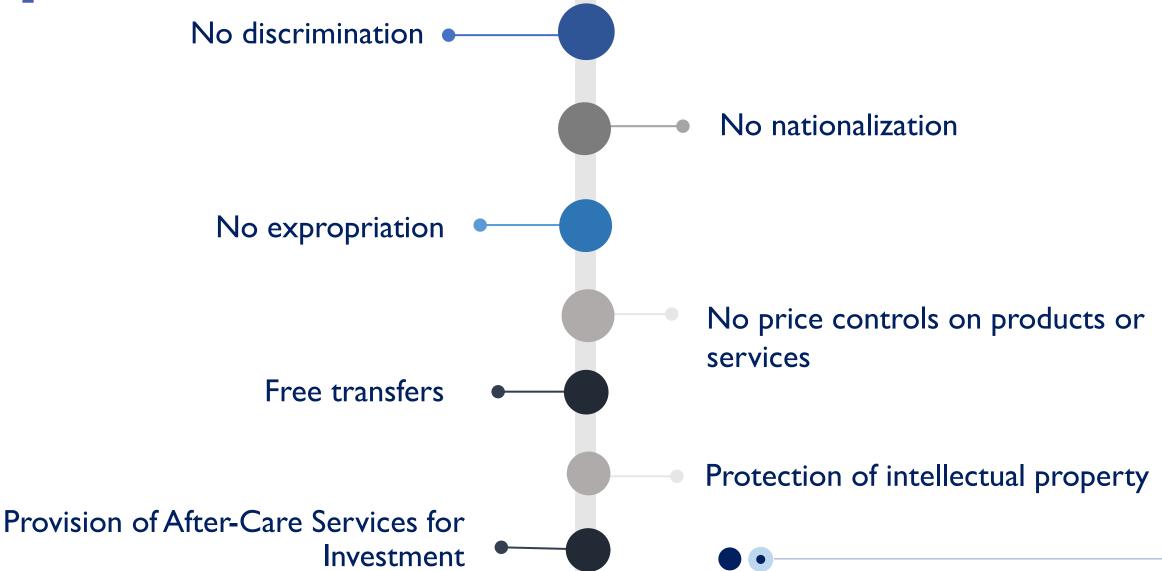
Guarantee



Protection



{Guarantee + Protection} Aftercare





Thank You

Richard Stanger

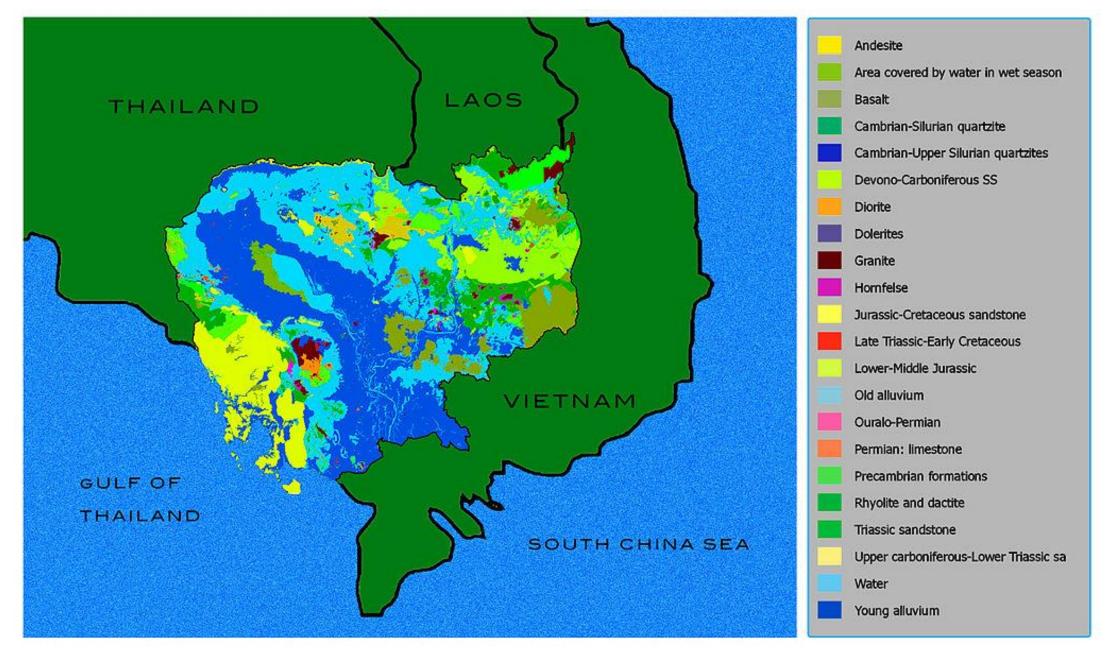
President

Cambodian Association of Mining Exploration

Companies - CAMEC

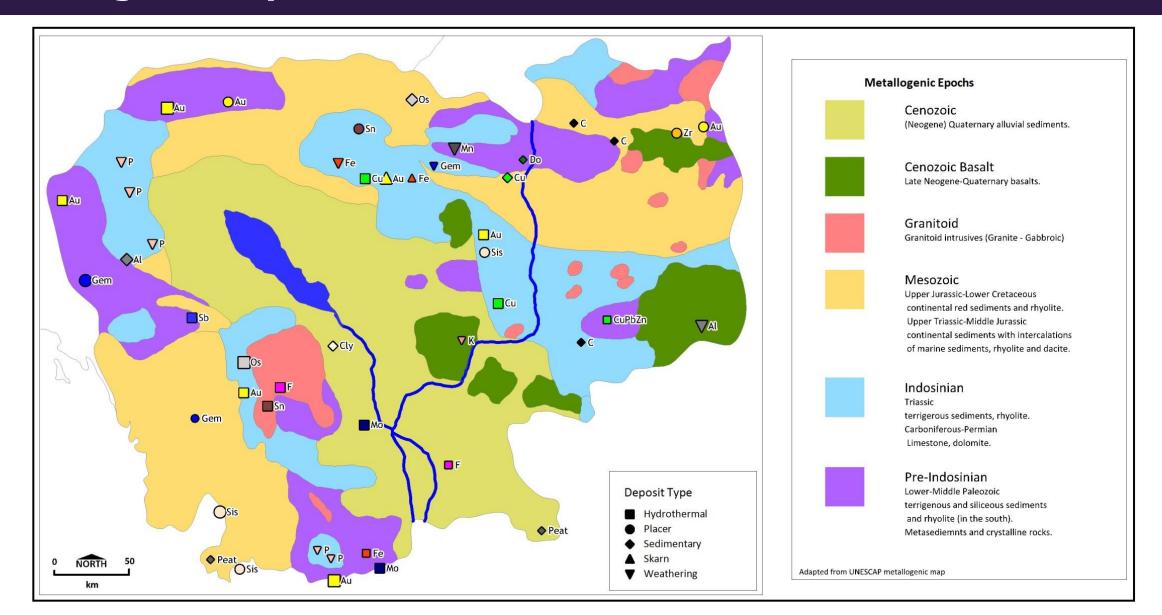
Cambodia mining insights

- Background to 2022
- Geography / Geology
- Economy
- Framework for investment
- Cambodia Snapshot
- Current foreign investor activity and interest



CURRENT GEOLOGICAL STRUCTURE OF CAMBODIA

Geological sequences



Geography / Geology

- 181,000 Square KM
- SW part of Indochina peninsula
- Tonle sap lake system, Mekong River, Bassac river systems
- Low lying sedimentary from southern Laos to the SE
- Highlands in east adjoining Vietnam highlands
- SW highlands of Cardamons
- Dangkek mountains in North adjoining the Korat plateau
- Older granatoids intruded by younger formations tectonic activity and low grade metamorphics then sedimentary formation through Paleozoic
- Precious and base metals mineral deposits in structurally controlled settings with hornsfel type IRDs in the eastern portion of the country (EG: Okvau mine
 - Emerald Resources)

GEOLOGY – Maps

- Broad set of maps available
 - French BRGM 1972 1:200,000
 - Geol Survey of Vietnam 1991 1:1,000,000
 - ESCAP Geol resources 1993 1:1,500,00
 - GDMR Mineral Deposits Report only
 - GDMR Geol Map of Cambodia 2003 1:1,500,000 (digital)

Economy

- GDP 6.6 % average 2015 to 2021 (2022 estimate 5.3% ADB)
- GDP per capita ~ US\$ 2000
- Stable currency (4100 riel to the US\$)
- Dual currency in use (US\$ and Cambodia Riel)
- High level of foreign direct investment greater than US \$3.5 billion in 2020
- Trade agreements (EU, ASEAN, UK, USA, China, Korea)

Framework for Exploration and Mining investment

- Mining Law and regulations 'Sub Decree on the Management of Mineral Resources, Exploration and Exploitation Licenses, 5th May 2016'
- Mining regulator Ministry of Mines and Energy
- New Investment law (a) 'Law on Investment 15th Oct 2021' and (b) 'Law on Public Private Partnership, 18th Nov 2021'
- Financial system and regulation National Bank of Cambodia: 60+ banks operating
- Legal structure and system Codified law
- CDC Council for Development of Cambodia: QIP status and benefits
- Tax and Royalties Company Tax (20% to 30%). Royalty (3% on Precious metals)

Cambodia snapshot

- Stable Pro-development government, focused on economic growth and in supporting an early-stage mining and oil & gas industry in order to diversify revenue from traditional industry and agriculture
- 2nd Highest vaccination rate in ASEAN: 94.07 % of population 16 m
- Under-explored and prospective for minerals
- Direct foreign ownership with 100% of exploration and mining projects
- Broadening base of manufacturing away from purely garments (Automobile assembly, tyre manufacture, electronics, diamond cutting, Bicycles (Largest manufacturer in the world), food processing
- Political risk insurance is available for projects in Cambodia at sub 1.0%

Cambodia snapshot

- Population 16 million (64% younger than 35 Years)
- Education system including tertiary (Eg: Royal University, Institute of Technology)
- Infrastructure and construction development (roads, rail, air-ports, power grid, commercial and private buildings, bridges, telecommunications, ports, oil refinery and factories)
- Public / private sector dialog is very strong
- Safety very good
- Strong representation of international Law and accounting firms
- Assay prep Lab (ALS), Drilling companies, Geoscience consultancies (Local and International)

Current mining industry activity

- Emerald Resources NL Setting the gold standard
- 2 other operating gold mines (small scale)
- Marble and facia stone operations
- Exploration Continental Copper Ltd (Australia), Angkor Resources Corp (Canada)





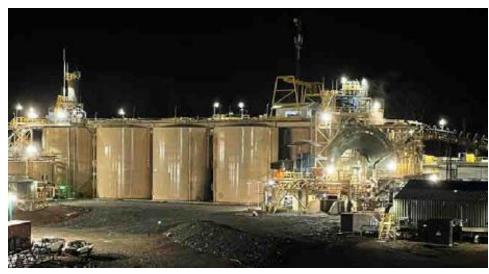






Excellent example -Emerald Resources NL - Million Ounce Gold production in Cambodia







Capital Structure

Australian Stock Exchange listed: ASX Code:: EMR

• Share Price: AU\$1.06

Market Cap: AU\$570 million

Resource & Reserves

Total Resources: 20Mt at 1.74 g/t Au for 1.1 million ounces

• Reserves: 14.3 Mt at 1.98 g/t au for 0.9 million ounces

Development Timeline

- Okvau Project fully ramped up: +100,000 ounce per annum US\$754
 AISC. First gold: June 2021 (Construction during Covit19 pandemic)
- On Time and On Budget US\$97.6m (budget US\$98.0m)
- Throughput rate +10% compared to DFS
- Strongly positive reconciliation reserve reconciliation +15%
- Cash costs in line with DFS forecasts US\$740 December 2021 Quarter
- US\$100m annual pre-tax project cash flows at US\$1,700 gold price;
- Circa US\$74m (A\$102m) annual post-tax project cash flows at US\$1,700 gold price
- Exploration ramping up:
 - 2,400 km² exploration permits
 - Near mine exploration focus to expand mine life
 - Drilling at high grade Memot Gold Project
 - Objective the discovery and development of additional operations



THANK YOU VERY MUCH AKUN JERAN

Richard Stanger

Cambodian Association For Mining and Exploration Companies

www.camec-cambodia.com

cameccambodia@gmail.com



Bernie Cleary

Operations Manager

Emerald Resources NL

Presentation Disclaimer



Forward Looking Statement

This presentation contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources NL ("Emerald" or the Company") operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks" "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This presentation has been prepared in compliance with the current JORC Code 2012 Edition and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been included in this presentation. 100% of the production target referred to in the 1 May 2017 and 26 November 2019 announcements is based on Probable Ore Reserves.

The Company believes that is has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

Estimates of Resources and Reserves

The ASX Listing Rules require that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of Emerald in this presentation comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Industry Guide 7, which governs disclosures of reserves in registration statements filed with the US Securities and Exchange Commission (the "SEC"). Information contained in this presentation describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that Emerald will be able to legally and economically extract them.

Competent Persons Statements

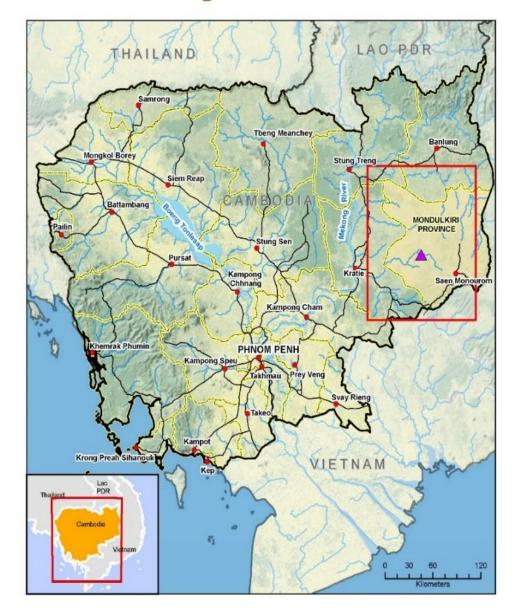
The information in this report that relates to Exploration, Drill and Grade Control Results relating to the Company's projects is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

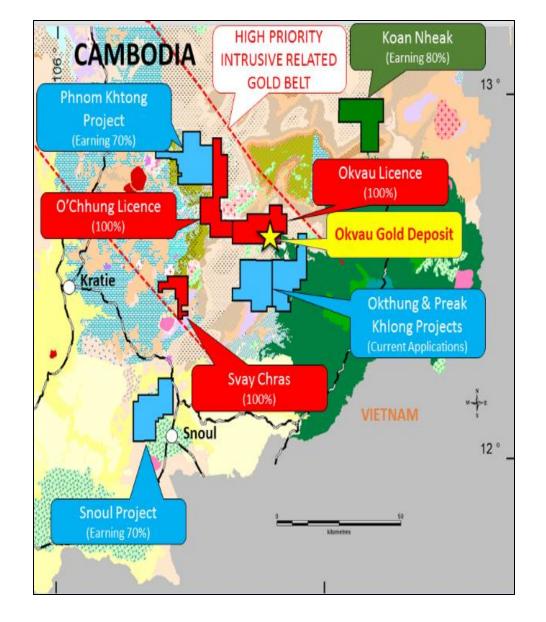
The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Member of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Okvau Gold Project Location & Overview







The Okvau Gold Project - History Snapshot 2006 - 2022





Good things take time - Okvau Gold Project



- 2006 First drill holes in agreement with the Cambodian Government
- 2007 First exploration licences in Cambodia issued for Ochhung and Okvau
- 2014 Studies commence including feasibility, social and environment
- 2016 Initial Environmental Impact Assessment approved by Ministry of Environment (MoE)

- 2017 Full Environmental and Social Impact Assessment resulted in grant of Environmental Licence by MoE;
- 2018 Okvau Industrial Mining Licence issued by Ministry of Mines & Energy
- 2019 Resettlement process complete;
- 2020 Construction phase commenced upon signing MIA
- 2021 First Gold Poured & Official Opening Ceremony

15 Years from first drill hole to first gold bar

Environmental & Social Values



Emerald is aiming to set the benchmark for an environmentally & socially responsible, sustainable and transparent mining industry in Cambodia.









Human Resources







Construction – Okvau Gold Project 2000 - 2001





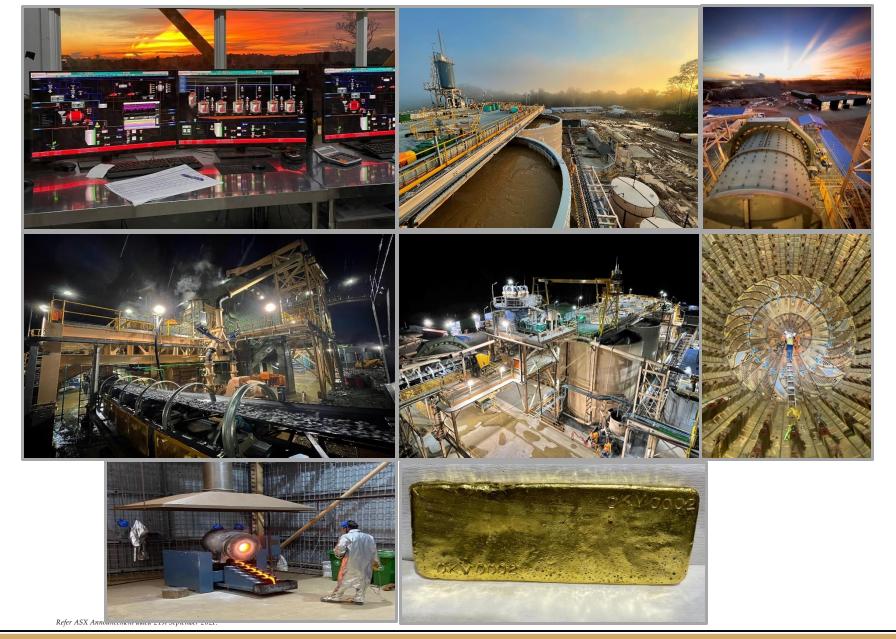
Okvau Open Pit – Okvau Gold Project





Mineral Processing





Okvau | 12 months of Gold production 3,000kg of Dore





Summary



- New jurisdiction for modern mineral exploration and mining development
- Licencing framework in place for a sustainable mineral extractive industry
- Very prospective underexplored geology in Cambodia
- Cambodian government is very supportive of international mining companies and sustainable mining endeavours

- Government accelerating the internal capacity building required to streamline licencing and regulatory process
- Renaissance is committed to setting an internationally acceptable bench mark that will set the standard for future exploration and mining devel opment for all projects in Cambodia that is environmentally and socially responsible.

Q&A

Slido.com #cambodiamining

Panel Discussion

Moderated by:

Shannon Leahy, Trade and Investment Commissioner, Austrade

Panel members:

His Excellency Ung Dipola, Director General, General Department of

Mines and Resources, Cambodian Ministry of Mines and Energy

Richard Stranger, President, Cambodian Association of Mining

Exploration Companies - CAMEC

Bernie Cleary, Operations Manager, Emerald Resources NL

What's next?

Reach out to your Tradestart or Global Engagement Manager

New to Austrade? Get in touch to see how we can help and ask specific questions about grants, programs and services

• 13 28 78

Try the *Guide to Exporting* tool to identify, understand and prioritise markets

• export.business.gov.au

Read more about Austrade Programs

• <u>austrade.gov.au</u>

Keep informed about the latest news

• <u>austrade.gov.au/news/</u> newsletters Thank you for attending

Contact: vietnam@austrade.gov.au