BAMIN – A New Brazilian Frontier of High Quality Iron Ore

Metal Bulletin China Iron Ore Conference March 2011

Eurasian Natural Resources Corporation PLC
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The information set out in this presentation relates to the twelve months ended 31 December 2010 and, unless otherwise stated, is compared to the corresponding period of 2009, the twelve months ended 31 December 2009.

Where applicable in the document all references to ‘t’ are to metric tonnes, to ‘kt’ are to thousand metric tonnes, and ‘mt’ to million metric tonnes unless otherwise stated.
Agenda

• Project Overview
• Progress Made in 2010
• ENRC PLC
• Results of the Metallurgical Tests
• Next Steps
**State of Bahia, Brazil**

**Population:** 14,000,000  
**Demographic density:** 25 hab/km² (15°)  
**GDP per capital Bahia:** approx. US$4,500 (19°)  
**GDP per capita Brazil:** approx. US$10,000
### Pedra de Ferro Project Main Figures

<table>
<thead>
<tr>
<th></th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>489Mt of RoM @ 44.7%Fe (over 45,000 meters of drilling works)</td>
</tr>
<tr>
<td>Capacity</td>
<td>19.5 Mtpa of concentrate</td>
</tr>
<tr>
<td>Construction</td>
<td>2011 to 2013</td>
</tr>
<tr>
<td>Start up</td>
<td>2013</td>
</tr>
<tr>
<td>Current status</td>
<td>BFS completed Basic and detailed engineering under development</td>
</tr>
</tbody>
</table>
Pedra de Ferro – Mine Site

Pit Dimensions

- Length: 6km
- Bottom pit: 552m
- Width: 1.6km
- Depth:
Beneficiation Plant: Process Route 19.5 mtpa capacity
Indicative Product Quality
Blast Furnace Concentrate

- Annual production: 13.5 Mt
- Main market: China

Chemical composition - %

<table>
<thead>
<tr>
<th></th>
<th>Fe</th>
<th>SiO2</th>
<th>Al2O3</th>
<th>P</th>
<th>S</th>
<th>LOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>mm</td>
<td>67.5</td>
<td>2.20</td>
<td>0.50</td>
<td>0.05</td>
<td>0.005</td>
<td>0.50</td>
</tr>
<tr>
<td>%</td>
<td>98.5</td>
<td>80.0</td>
<td>51.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Size distribution - % passing

<table>
<thead>
<tr>
<th>mm</th>
<th>0.149</th>
<th>0.074</th>
<th>0.044</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>98.5</td>
<td>80.0</td>
<td>51.0</td>
</tr>
</tbody>
</table>

- Blaine Index: 625 cm²/g
Indicative Product Quality
Direct Reduction Pellet Feed

• Annual production: 6.0 Mt

• Main market: Middle East

• Chemical composition - %

<table>
<thead>
<tr>
<th></th>
<th>Fe</th>
<th>SiO2</th>
<th>Al2O3</th>
<th>P</th>
<th>S</th>
<th>LOI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68.7</td>
<td>0.44</td>
<td>0.40</td>
<td>0.05</td>
<td>0.005</td>
<td>0.35</td>
</tr>
</tbody>
</table>

• Size distribution - % passing

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>99.5</td>
<td>80.0</td>
<td>48.0</td>
<td></td>
</tr>
</tbody>
</table>

• Blaine Index: 625 cm²/g
The New Railways Concession in Brazil

- The Railways Concessions in Brazil are mainly located at the coast.
- Does not cover the greatest agricultural frontier in Brazil: The Savanna area - reason why the Federal Government decided to implement a new railway Frontier in Brazil.
### Railway – Current Status

#### SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>27&lt;sup&gt;th&lt;/sup&gt; Nov 2009</td>
<td>Public decree for land expropriation along FIOL</td>
</tr>
<tr>
<td>15&lt;sup&gt;th&lt;/sup&gt; Mar</td>
<td>LP (Preliminary License) granted</td>
</tr>
<tr>
<td>23&lt;sup&gt;rd&lt;/sup&gt; Mar</td>
<td>Call for construction tender</td>
</tr>
<tr>
<td>23&lt;sup&gt;rd&lt;/sup&gt; Sep</td>
<td>Award of construction contract</td>
</tr>
<tr>
<td>30&lt;sup&gt;th&lt;/sup&gt; Nov 2010</td>
<td>Installation License was granted</td>
</tr>
<tr>
<td>10&lt;sup&gt;th&lt;/sup&gt; Dec 2010</td>
<td>President Lula signed the Service Orders for the 1&lt;sup&gt;st&lt;/sup&gt; Section (Ilhéus - Caetite)</td>
</tr>
</tbody>
</table>
• 220,000 DWT iron ore carrier is considered for design of ocean structures and access geometry;
• Bridge: 2,500 m;
• Breakwater: 2,800,000 m³ (rocks);
  1,100,000 m³ (sand)
• Dredging: 3,700,000 m³ (21m depth)
### Environmental Licensing

<table>
<thead>
<tr>
<th>Main Licenses and Permits</th>
<th>Railway (VALEC)</th>
<th>Project (Mine/Plant area)</th>
<th>Port</th>
<th>Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition/Expropriation</td>
<td>Completed</td>
<td>2008-2010 (95% completed)</td>
<td>Completed</td>
<td>2010-2011</td>
</tr>
<tr>
<td>Preliminary or Localization Licence (LP / LL)</td>
<td>Completed</td>
<td>Completed</td>
<td>April 2011</td>
<td></td>
</tr>
<tr>
<td>Installation Licence (LI)</td>
<td>Completed</td>
<td>Completed</td>
<td>July 2011</td>
<td>May 2012 (CHESF)</td>
</tr>
<tr>
<td>Operating Licence (LO)</td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
</tr>
</tbody>
</table>
Forecast Schedule

- Construction to take 2.5 years and will start after environmental licenses are obtained
- Start up of operations: 2013
- Ramp up period: 6 months
- Full capacity: 2014
Railway Construction

Contract signing in December 2010 with President Lula
Railway: Lodging Construction

January and February 2011
Railway: Lodging Construction

January and February 2011
Railway: Lodging Construction

January and February 2011
Railway Works

January and February 2011
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Progress Made in 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sintering and Pelletizing Tests</td>
<td>100% BAMIN</td>
<td>Sintering/ Pelletizing Tests 3 Chinese Mills</td>
<td>BAMIN Mine Installation Environmental License</td>
<td>Sintering and Pelletizing Tests</td>
</tr>
<tr>
<td>Railway Provisional Environmental License</td>
<td>Railway Installation Environmental License</td>
<td>Railway Signature Construction Contract</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Marketing: 45 steel mills visited; Metallurgical tests at steel mills: 3 concluded and 4 ongoing
- MOUs and LOIs for future iron ore sales signed with 17 steel mills.
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ENRC PLC

• ENRC is a diversified mining group, producing ferroalloys iron ore concentrate and pellets, alumina, aluminium, coal, electricity, copper and cobalt

• Six principal divisions: Ferroalloys, Iron Ore, Alumina & Aluminium, Energy, Other Non-Ferrous, Logistics, supported by centralised Sales & Marketing function

• ENRC acquired 50% stake in BAMIN in May 2008 to enhance the company’s position in the global iron ore market

• The remaining 50% of BAMIN acquired in September 2010, develops its strategy of commodity and geographical diversification

• ENRC has approximately 72,000 employees globally
ENRC PLC – Global Operations
Iron Ore Division – Location of Assets

**BAMIN, MIBA and MPB, Brazil**
- Bahia Mineração Limitada (‘BAMIN’) is developing a seaborne iron ore operation including port handling facilities in the Bahia State
- Mineração Minas Bahia SA (‘MIBA’) owns the rights to the Jibóia iron ore deposit in Minas Gerais State
- Mineração Peixe Bravo SA (‘MPB’) holds a number of exploration licences in the north of Minas Gerais

**SSGPO, Kazakhstan**
- Operations include the Sokolovsky, Sarbaisky, Kacharsky and Korzhinkol’skye iron ore open pits; the Sokolovsky underground mine; dolomite and limestone open pits; concentrators and pellet plants
- The Rudnyi heat and power plant provides reliable, low-cost power

Legend:
- Power Station
- Open pit
- Customer
- Rail Transshipment point
- Producing assets
- Projects
Iron Ore Resources in Brazil

- BAMIN Projects
- MIBA and MPB
- Pedra de Ferro Project
- East-West Railway Project
- Jibóia Deposit
- Ilhéus Port
- Rail link to Projects
- MIBA and MPB

Map showing locations of iron ore projects in Brazil.
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- Project Overview
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## Sintering Tests Results

<table>
<thead>
<tr>
<th>Location</th>
<th>Result Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SGA (Germany)</strong></td>
<td>Bamin BFC can be used in controlled portions in conventional sintering process.</td>
</tr>
<tr>
<td><strong>CISRI (China)</strong></td>
<td><strong>Northern China Mixture</strong>: 10% of Domestic concentrate is replaced by 10% Bamin BFC with no changes. 30% replaced by 30% of BFC showed productivity gain with adjustments in coke rate and sinter strength. <strong>Southern China Mixture</strong>: BFC replaced 13% Domestic concentrate with no changes. When BFC replaced 7% Australian fines or 7% Indian fines, sintering productivity increased.</td>
</tr>
<tr>
<td><strong>Chinese Steel Mill CSM 1</strong></td>
<td>Bamin BFC has similar performance to other Brazilian pellet feed at levels of 5% and 15% of the sinter blend.</td>
</tr>
<tr>
<td><strong>CSM 2</strong></td>
<td>Ideal levels of 6% or 12% of BFC in the sintering blend.</td>
</tr>
<tr>
<td><strong>CSM 3</strong></td>
<td>Ideal level of 10% to 15% of BFC in sintering blend.</td>
</tr>
</tbody>
</table>
### Pelletising Test Results

<table>
<thead>
<tr>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGA (Germany)</td>
<td>Pelletising tests proved clearly that high quality DR Pellets can be produced from BAMIN DRPF (100% BAMIN)</td>
</tr>
<tr>
<td>CISRI (China)</td>
<td>Pelletising Plants without grinding facilities and feeding Chinese magnetite concentrate</td>
</tr>
<tr>
<td></td>
<td>10% Bamin BFC in Shaft Furnaces</td>
</tr>
<tr>
<td></td>
<td>40% Bamin BFC in Grate Kiln and Straight Grate Furnaces</td>
</tr>
</tbody>
</table>
Agenda

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Next Steps

• Project financing

• Commence Execution Phase – Q3 2011

• Commence Production Phase – 2013

• Development of MIBA and MPB
Thank you
Obrigado