

CHAARAT

Kyrgyz Republic Investment Forum 2018

Kyrgyz Republic – The Next Attractive Investment Destination

Martin Andersson, Chaarat Chairman



Chaarat: Who we are

A multi-disciplined board and management team with strong track record of value creation

Robust Portfolio of Existing Assets within Kyrgyz Republic, our home market...

Tulkubash Oxide Project

- Near term significant committed development and investment
- 95 koz pa
- AISC US\$831/oz
- US\$60 mm annual FCF



Kyzyltash Sulphide Project

- Long term growth option
- 200-300 koz pa
- US\$150-200 mm annual FCF

...with Significant Exploration Potential...

- Over 20 km of undrilled strike length
- Highly prospective belt hosting multiple major gold projects
- Aggressive 2018/19 exploration programme to define additional heap leachable ore – including ongoing 60,000 m drill programme



..and a Transformational M&A Strategy

- In addition to announced M&A (Kumtor)
- Tangible Pipeline of 12 M&A opportunities
- Total production of ~1.4 Moz
- Combination of transformational and bolt-on opportunities

Provides a strong platform for Chaarat to execute on its corporate vision

Chaarat: Our Strategy

Our Vision

Create value for all our stakeholders by building the leading, emerging markets, gold company through organic growth and M&A, with an initial focus on Central Asia and FSU

Quantifying Our Vision

- + 1 Moz annual gold production within five years
- 15 – 20 Moz resource base
- Target high margin ounces to drive strong EBITDA and cash flow
 - ~US\$800/oz AISC driving ~\$500 million annual EBITDA
- Diversified operations (multi-asset, multi-jurisdiction) to minimise risk

How We Aim to Achieve Our Vision

- Leveraging the significant experience and expertise of the management team and Board
- Organic growth through ambitious and value enhancing exploration programme
- Shareholder accretive transformational M&A combined with add-on acquisitions
- Full alignment of management incentives to shareholder value creation via restricted stock and option programme
- Inclusive growth through strict ESG discipline
- Institutional approach to capital markets and well diversified financing platform
 - Re-IPO on LSE and/or Hong Kong when the time is right

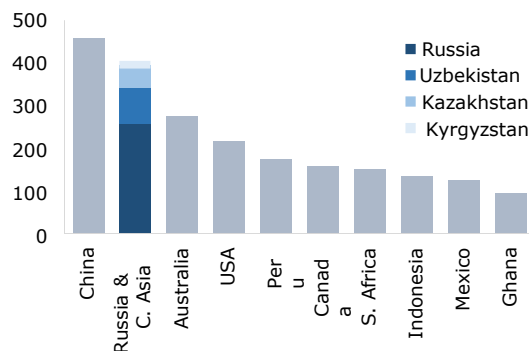
Progress to Date

- ✓ Two robust standalone projects (Tulkubash and Kyzyltash) with significant growth potential
- ✓ 2018/19 exploration has commenced – first drill results announced in June 2018
- ✓ M&A strategy is well advanced – first transaction targeted to close in Q3 2018

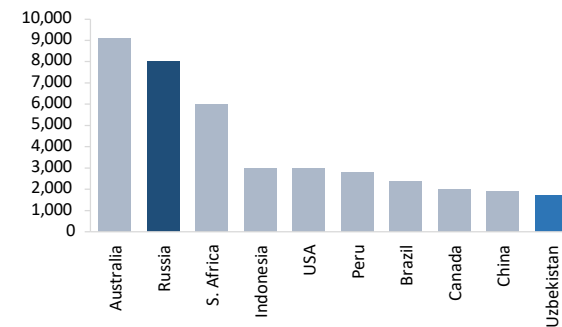
Central Asian / FSU Gold Sector – Ripe for Consolidation

- Central Asia and the FSU region have all the prerequisites for global gold mining industry leadership given its extensive resource base and production potential

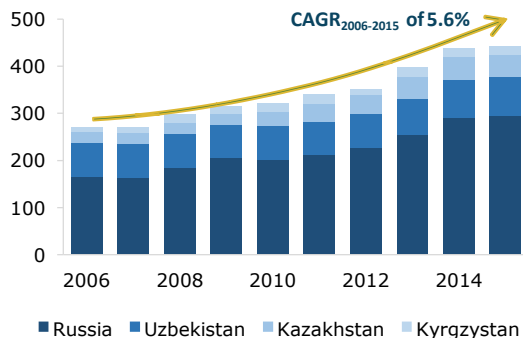
Gold mine production by country (2015, tonnes)



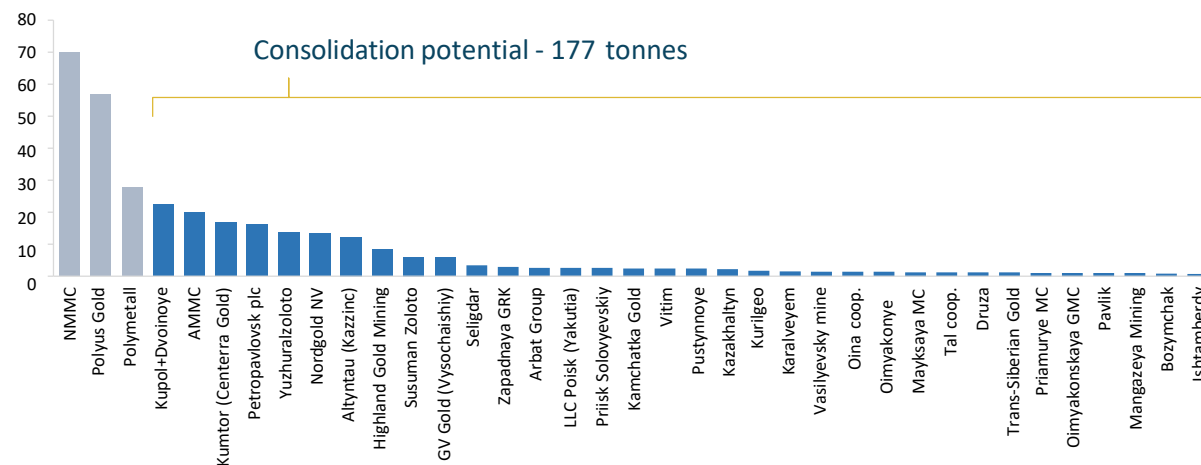
Ranking of gold producing countries by reserves (2015, tonnes)



Central Asia and FSU gold mine output (tonnes)



Central Asia and FSU gold miners (2015, tonnes of output)



Sources: United States Geological Survey, GFMS (Thomson Reuters), and Amur Capital Group Limited.

Chaarat's Guiding Principles

- Chaarat's objective is to create value for all stakeholders (local communities, the Government and Shareholders) by creating stability, job opportunities and positively impacting sustainable national economic growth
- Chaarat's ambition is to become a demonstrable example of investment success in a large project in our home market, the Kyrgyz Republic
- Chaarat's commitment is to apply best practices and to invest in our social license
- Chaarat is fully aligned with the Kyrgyz Republic's long term objectives to improve the country's investment attractiveness



Key to our long term success is practising best international governance, social and environmental standards

Ongoing support of local communities through:

- Infrastructure development
- Healthcare
- Education / skill building
- Job creation
- Community facilities
- Micro-finance



Kyrgyz Republic Investment Forum: The Challenge

- Kyrgyz Republic largely unknown investment destination
- Negative news stories
- Several operators without social license creating issues and conflict, thus reinforcing preconceptions
- Intense competition from global investment capital



Revolution in Kyrgyz Republic, April 2010



Local communities destroyed Makmal factory (built by Chinese Investors)

Kyrgyz Republic Investment Forum: Why?



- To dispel misconceptions held by many investors
- To promote a less well known country full of opportunity to a larger audience
- To give companies a platform to share their experiences of operating in the country

Kyrgyz Republic Investment Forum 2017: The Pioneers



From Left to Right:

- Ulanbek Ryskulov – Minister of Mining, Energy and Industry
- Alexander Novak – Chairman, Chaarat Zaav
- Turdakun Sydykov – Minister-Counsellor, Kyrgyzstan Embassy to UK
- Duishenbek Zillaliev – Former Vice Prime Minister
- Kanat Muratbekov – Minister for Ecology and Inspections
- Bekten Doolotov – Head of Mining Department at the Government's Office
- Bakyt Ormurzakov – Economy Minister Counsellor

Kyrgyz Governmental delegation in Kyrgyz Republic Forum 2017 (London, EBRD)

Republic Investment Forum 2018: The New Generation

The new generation of Kyrgyz Republic, investing all their efforts to achieve national prosperity



Cholponbek Jumashukurov

- Harvard MBA
- Senior Managing Partner of Highland Capital



Jodar Saidilkanov

- Chairman of Integra Group



Esenkul Momunkulov

- Founder of Esen and Partners LLC
- Former Director of the Investments Promotion and Protection Agency under the Government



Ulan Kachkynbekov

- International Business Council
- CEO of Highland Exploration LLC



Nazira Beishenalieva

- Harvard MBA
- Chairwoman of Bank of Asia



Askar Sydykov

- Cambridge LLM
- Executive Director of International Business Council

Kyrgyz Republic Investment Forum: Positive Changes are on the Way

President, Sooronbai Jeenbekov believes that Kyrgyzstan needs changes. In his speech to Parliament yesterday, he stated:

- “We have a good legislative base and developed legal norms for attracting investments. But... we have not managed to raise the attractiveness of the country to the appropriate level... many investments went to other countries because of corruption.”
- “If a businessman gets rich through his work, he should be proud. And those, who at the expense of other people, have improved their well-being, should be ashamed to stay in our society.”
- “We are well aware that many cases in this [mining] sphere are politicized and, as a consequence, have a negative impact on the investment climate in the country. Therefore, relevant bodies, together with investors, should actively conduct explanatory work among the local residents. The development of deposits should be aimed at improving the living standards of the local population and the infrastructure of the regions.”



Source: <https://frontnews.eu/news/en/15580/Jeenbekov-wins-presidential-elections-in-Kyrgyzstan>

Thank you.