

Overview of GeoProMining Group

September 2013



Cbonds - Syndicated Lending in Russia – 2013 (Case Study)

GeoProMining - USD 250 m Syndicated Club Term Loan Facility

Agenda

1. GeoProMining Overview
2. GPM Gold LLC (Armenia / Gold)
3. Agarak Copper-Molybdenum (Armenia / Copper)
4. Sarylakh-Surma / Zvezda (Sentachan) (Russia / Antimony)
5. GPM Syndicate Deal March 2013

1. GeoProMining Overview of Reserves & Resources

An emerging markets focused diversified mineral producer with an attractive portfolio of gold, copper and antimony

Business Description

- GeoProMining (GPM, Group) started operations in 2005 with acquisition of mining assets Madneuli and Quartzite (gold, copper) in Georgia
- Group operates mining and processing assets in Russia (antimony, gold) and Armenia (gold, copper, molybdenum)
- Georgian assets (gold and copper) were sold in 2012 due to reserves depletion
- JORC probable ore reserves: 6.5moz of gold equivalent(1)
- JORC indicated and inferred mineral resources (including ore reserves): 18.1moz of gold equivalent
- In 2012, GPM produced 162 koz in gold equivalent
- In March 2013, GPM raised a US\$250 m syndicated loan from Sberbank, Raiffeisen and UniCredit
- GPM is an International holding structure with regional sub-divisions
- Group and assets in Armenia were audited by KPMG since 2008
- Management team with a successful track record in realizing projects



(1) Based on Mineral Experts Report prepared by SRK Consulting, dated Oct-2012

Attractive Cost Operator and Developer: High Margin Business

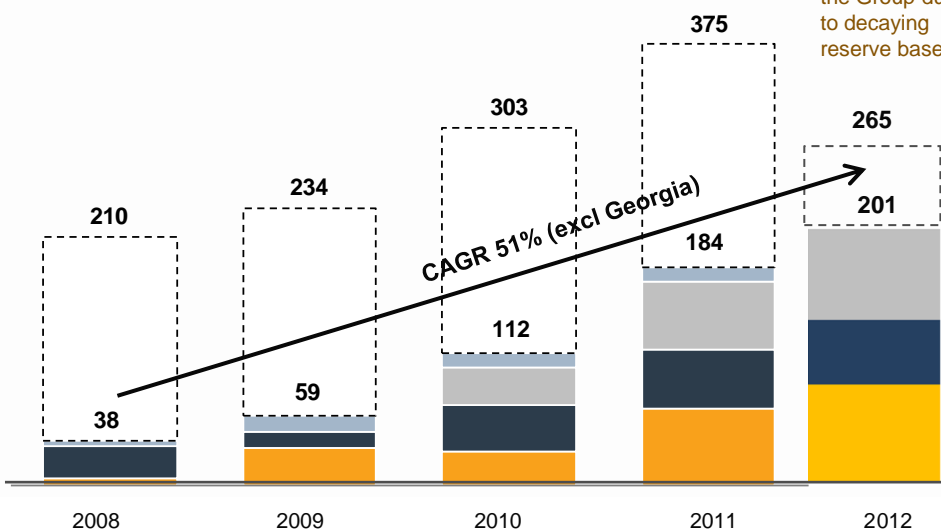
Consistent delivery of revenue growth combined with EBITDA margin expansion has enabled GPM to grow its EBITDA to almost four times its 2008 level.

Revenue (US\$m)

2008A – 2011A (incl. Georgia) CAGR: 21%

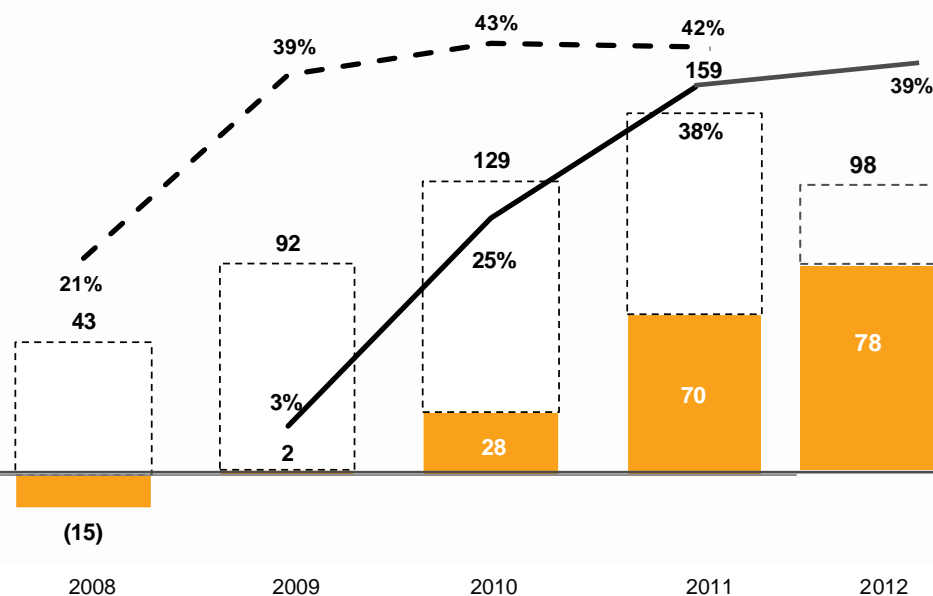
2008A – 2012A (excl. Georgia) CAGR: 51%

In June 2012
Georgian
assets were
divested by
the Group due
to decaying
reserve base.



■ Zod (Armenia / Gold)
 ■ Agarak (Armenia / Copper)
 ■ Zvezda-Sarylakh (Russia / Antimony)
 ■ Other
 ■ Georgian Assets

Adjusted EBITDA (US\$m) and Adjusted EBITDA Margin (%)

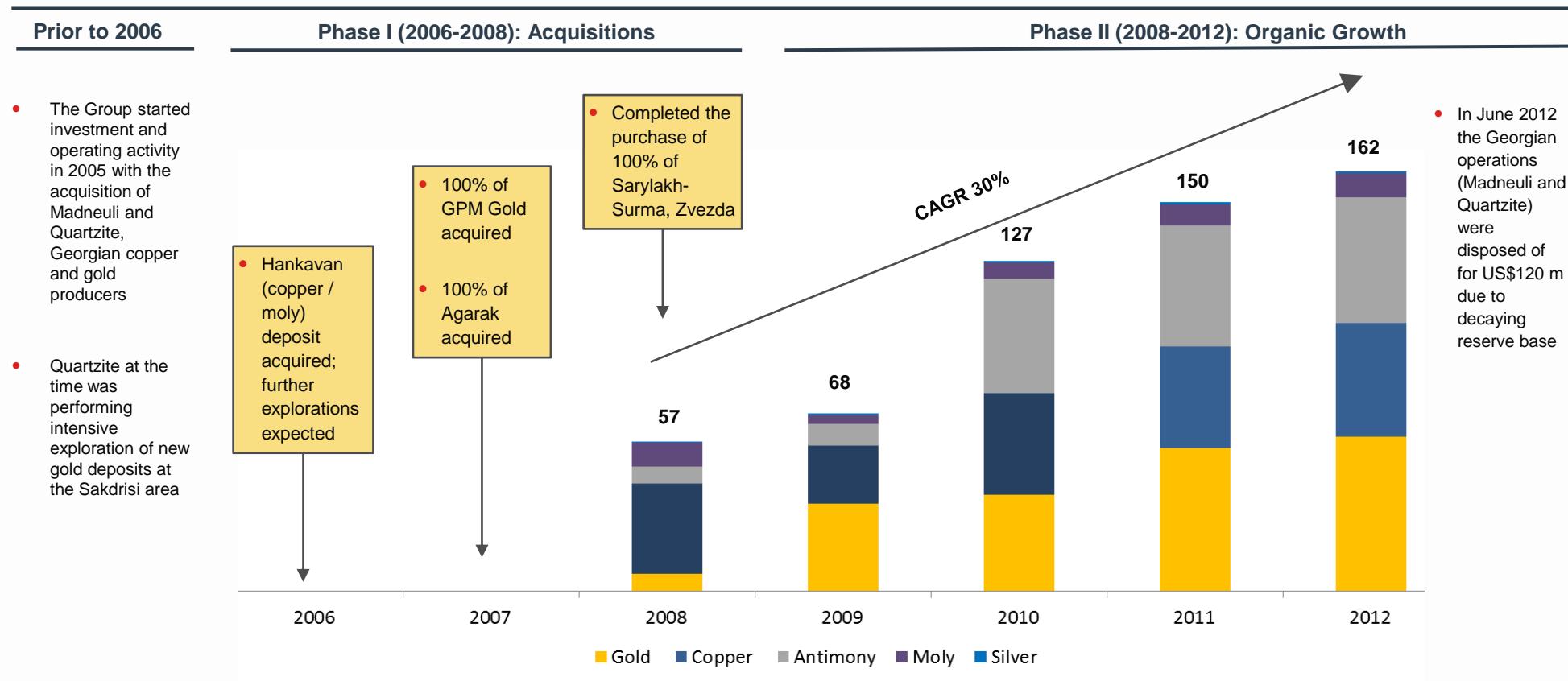


■ EBITDA excl. Georgian Assets
 ■ EBITDA from Georgian Assets
 — EBITDA Margin, excl. Georgian Assets
 - - EBITDA Margin, incl. Georgian Assets

Proven Operational Track Record

Proven track record of delivering growth organically and via strategic M&A

Historical Production Profile by Commodity (Gold equivalent koz Excluding Georgian Operations)⁽¹⁾



(1) Prices used for gold equivalent calculation are based on Snowden/SRK reserves reports: Gold US\$ 1225/oz, Copper US\$ 7750/tonne, Antimony US\$ 9000/tonne, Silver US\$ 27/koz, Moly US\$ 15/lbs

2. GPM Gold LLC (Armenia / Gold)

Zod mine operated by GPM Gold LLC is a world-class gold deposit⁽¹⁾ with 2.0moz of gold equivalent reserves and 5.7moz of gold equivalent resources⁽²⁾

Asset Description

Asset overview

- Gold and silver mining and processing complex comprises the Zod open-pit mine and the Ararat carbon-in-leach processing facility
- Plans to utilize Albion technology at the Ararat plant from 2013 are expected to increase throughput gold recovery to over 88%
- The Group sells all of its gold and silver doré bars based on the LBMA price

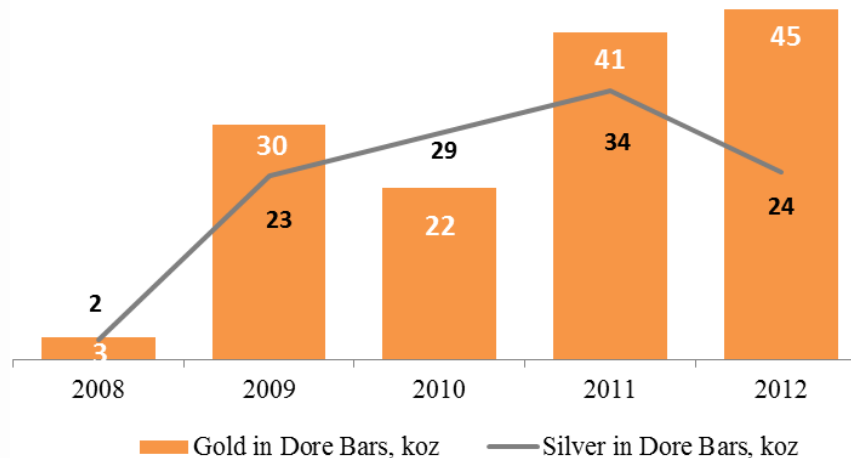
Geology

- Comprises steeply dipping sub-parallel quartz-vein structures cutting through the host intrusive rocks, including mafic massive gabbro, serpentinite and peridotite
- 2.0moz of gold equivalent reserves and 5.7moz of gold equivalent resources⁽²⁾

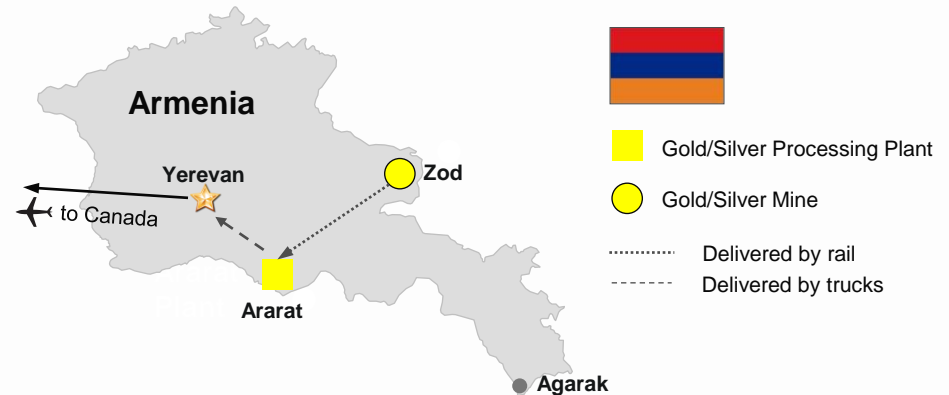
Mining

- Mining operations include conventional drill and blast operations, ROM ore loading by excavators and truck haulage
- The ore is hauled by railcars to the processing facility in Ararat (270km)

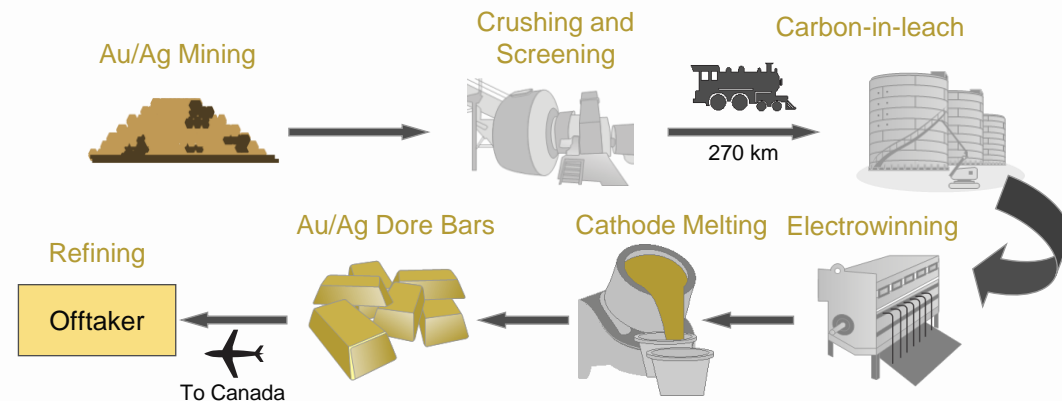
Operating Data



Asset Location



Production Process and Logistics (Process without Albion)



- (1) Deposits containing at least 100 metric tons (3.2moz) of gold
 (2) Based on Mineral Experts Report prepared by SRK Consulting, dated Oct-2012

3. Agarak Copper-Molybdenum (Armenia / Copper)

Mature producer of copper-molybdenum concentrate with 0.5mt of copper reserves and 1.7mt of copper resources⁽¹⁾

Asset Description

Asset overview

- 100% of shares acquired in December 2007
- Open-pit copper-molybdenum deposit located in the Syunik province of Armenia
- Processing plant design capacity has been enhanced to process up to 3.5 mt through modernisation in 1Q 2012

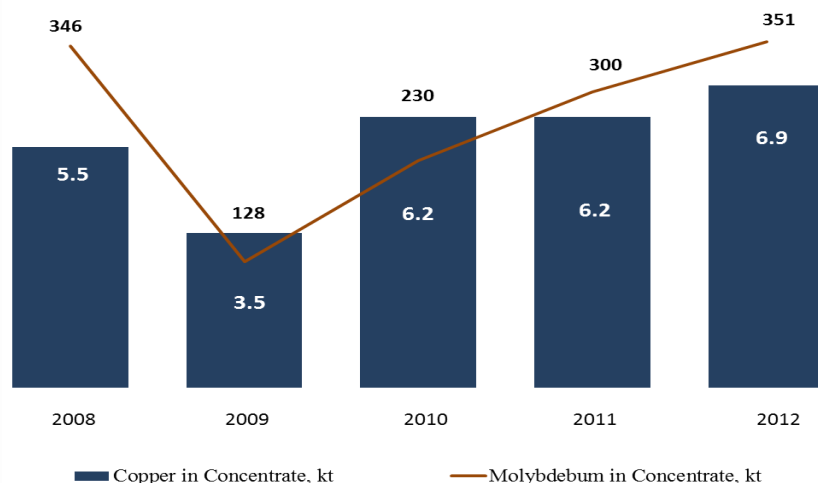
Geology

- SRK / Snowden estimates a reserve life of mine of 32 years
- 0.5 million tonne of copper equivalent reserves and 1.7 million tonne of copper equivalent resources⁽¹⁾

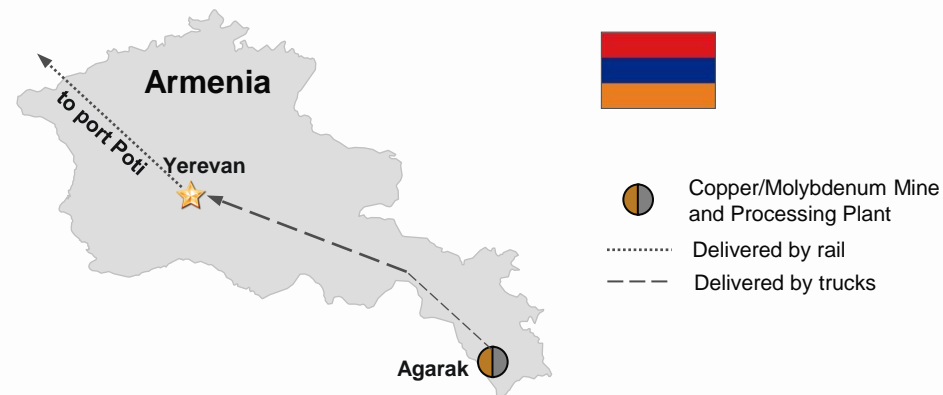
Mining

- Mining operations are conducted using traditional truck and shovel open pit mining whereby in-situ material is drilled and blasted, and hauled to either the blending stockpile or to the waste dump by dump trucks

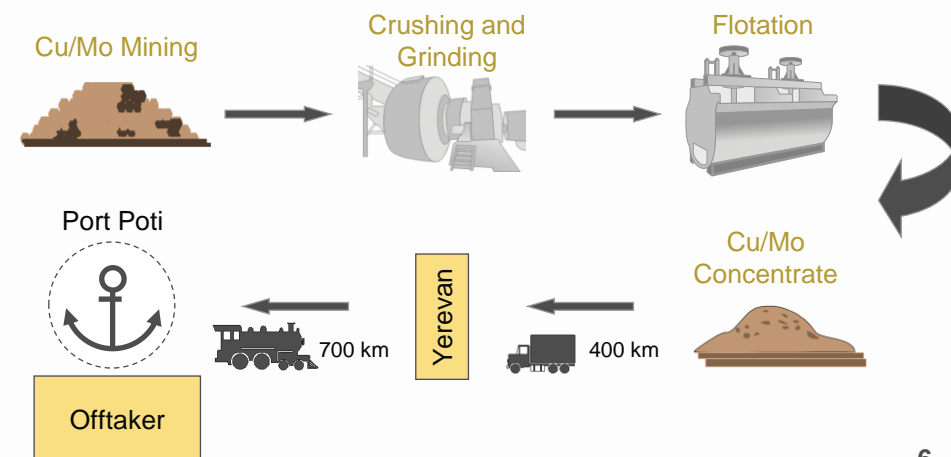
Operational performance



Asset Location



Production Process and Logistics



(1) Based on Mineral Experts Report prepared by SRK Consulting, dated Oct-2012

4. Sarylakh-Surma / Zvezda (Sentachan) (Russia / Antimony)

Group's Russian assets are focused on developing sizeable gold-bearing antimony deposits

Asset Description

Asset overview

- Zvezda and Sarylakh acquired in August 2007
- The Sarylakh-Surma mine and Sarylakh processing plant and the Sentachan (Zvezda) mine are located in Yakutia
- The processing plant has a throughput design capacity of 100ktpa of ore
- All the gold-bearing antimony concentrate is sold to customers in China.

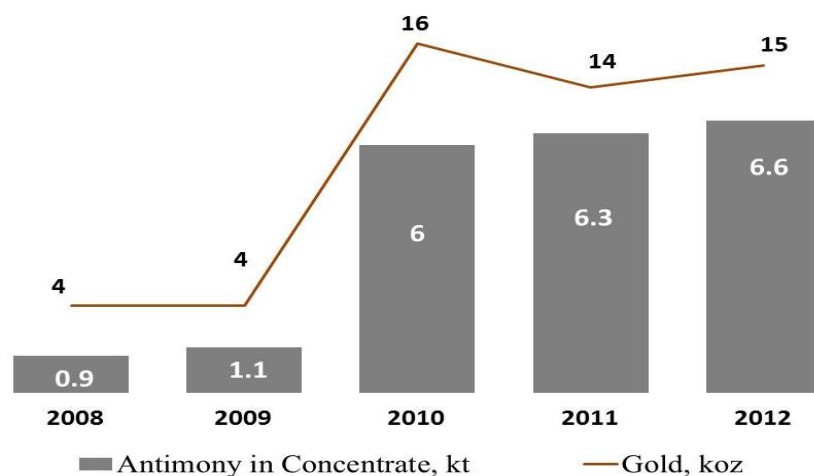
Geology

- Located in the north-west part of Adicha-Tarinskiy area, the gold-antimony ore zone follows along the fault and the richest gold antimony occurrence is located at its flanks
- The ores of the deposit are mainly presented by quartz and stibnite

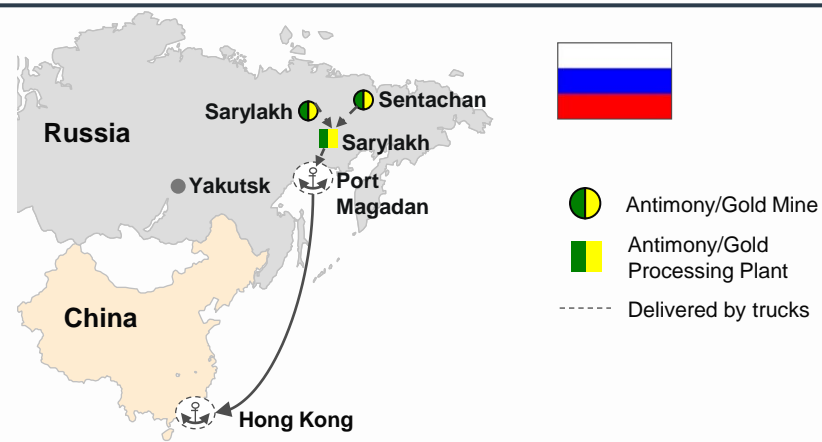
Mining

- Shrinkage stoping of ore within a block is the method used in order to extract thin and steep ore veins

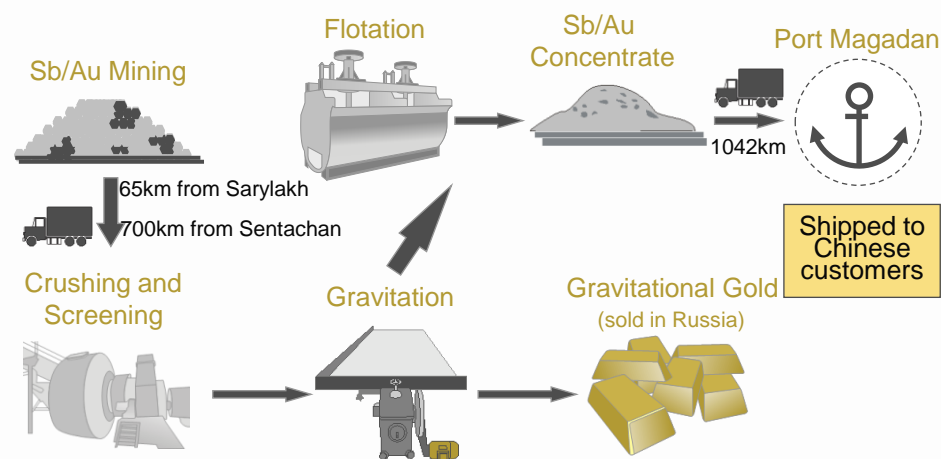
Operating Data



Asset Location



Production Process and Logistics



5. GPM Syndicate Deal March 2013 – roadmap to the deal

GPM went through natural evolutionary process before taking a choice for syndicated deal

- In 2011 GeoProMining was preparing for an IPO at LSE in Q4. However, due to market conditions it was decided to withdraw from this process
 - In order to take advantage of material produced during IPO preparation, GeoProMining decided to explore possibility for Eurobond in 2012.
 - As part of EuroBond prep work, in Q2 and Q3 of 2012 the Company analyzed what could be potential investor base, possible structure for Eurobond and obtained preliminary rating from two rating agencies.
 - In parallel to EuroBond process the decision was taken to assess alternative financing options. GPM run close tender process among 8 banks. As a result of this process, GeoProMining's choice was to proceed with the club deal (Sberbank, Unicredit and Raiffeisen)
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5. GPM Syndicate Deal March 2013 - Key Highlights

In March 2013 GPM signed 5-year USD 250,000,000 Term Loan Facility.

- The financing was arranged by Raiffeisen Bank International AG (“RBI AG”) and ZAO Raiffeisenbank (“RBRU”) (together “RBI Group”), Sberbank of Russia (acting through its Sberbank CIB and Sberbank Switzerland A.G., “Sberbank”) and ZAO UniCredit Bank and UniCredit Bank AG, London (“UniCredit Bank”)
 - The loan was split in two tranches according to the purposes of financing: one for refinancing of existing indebtedness, and a second to be used for general corporate purposes and capex. Both tranches carry similar 5-year tenor.
 - GPM has secured long-term financing through its Dutch holding company Karlou B.V. (the Netherlands) (acting as the Borrower) with a recourse to GPM’s Russian and Armenian key operating subsidiaries.
 - UniCredit Bank AG, London acted as Facility and Security Agent for the facility, Sberbank of Russia acted as Local Security Agent.
 - CMS Cameron McKenna LLP («CMS») acted as legal advisors on behalf of the lenders and Allen & Overy Legal Services («A&O») acted as legal advisors on behalf of the company.
 - The loan agreement will be backed by gold produced by the company, and GPM has hedged 270,000 oz in accordance with the structure of the deal.
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