

GCM Resources plc

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GCM Resources plc - Assets

- **Phulbari Coal Project**
 - 100% ownership of world class undeveloped coal property in Bangladesh

- **Coal of Africa Limited**
 - 3.3% share, market value ~£11 million

- **Polo Resources Limited**
 - 3.3% share, market value ~£4 million

*Share price/market capitalisation as at 25th August 2011

Liquid assets, Market Cap, Substantial Shareholders

	£ m	p per share
Cash and listed investments	<u>15.4</u>	<u>30</u>
Market Capitalisation	<u>49.7</u>	<u>97</u>
*Share price/market capitalisation as at 26th August 2011		

Shareholder	% of issued capital*
Polo Resources	29.8
Luxor Capital	14.0
Aurora Investment Trust	3.2
	<u>47.0</u>
Total shares in issue	51,057,274
* Based on Regulatory Notices including shares, qualifying instruments and instruments with the same economic effect as qualifying instruments received by the company as of 26th August 2011	

Investments

Coal of Africa Limited (GCM 3.3%)

- South African coal sector,
- Producing mines and development projects
- Coal projects, 2Bnt+ in exploration phase
- Market capitalisation: ~£340 million
- Cash balance (30 June 2011) of A\$35 million

Polo Resources Limited (GCM 3.3%)

- Caledon Resources (29.9%)
- GCM (29.8%)
- Several exploration/development prospects in coal, iron ore, gold
- Share price at substantial discount to value of investments
- Market capitalisation: ~£115 million

*Share price/market capitalisation as at 26th August 2011

Phulbari Coal Project

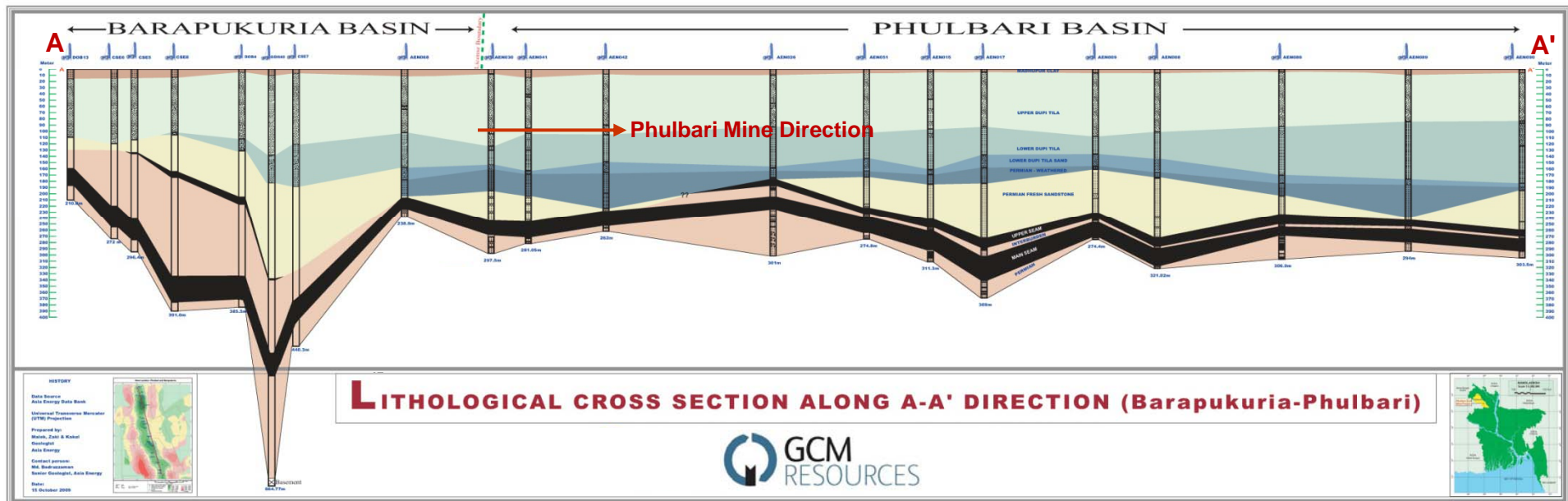
Phulbari is a world class deposit

- **Large reserves of coal (thermal and semi-soft coking coal) and by-products**
 - 572 millions tonnes JORC compliant resource
 - Resource open to the north and south
- **Open cast operations using well-tested techniques**
 - Coal measures at 165-270 metres below the surface
 - Total coal thickness in planned mining area 20-65 metres
 - Thick seams: 90% of coal in two close proximity seams 12-45 metres thick
- **15 million tonnes per year at full production**
- **Life 30+ years**

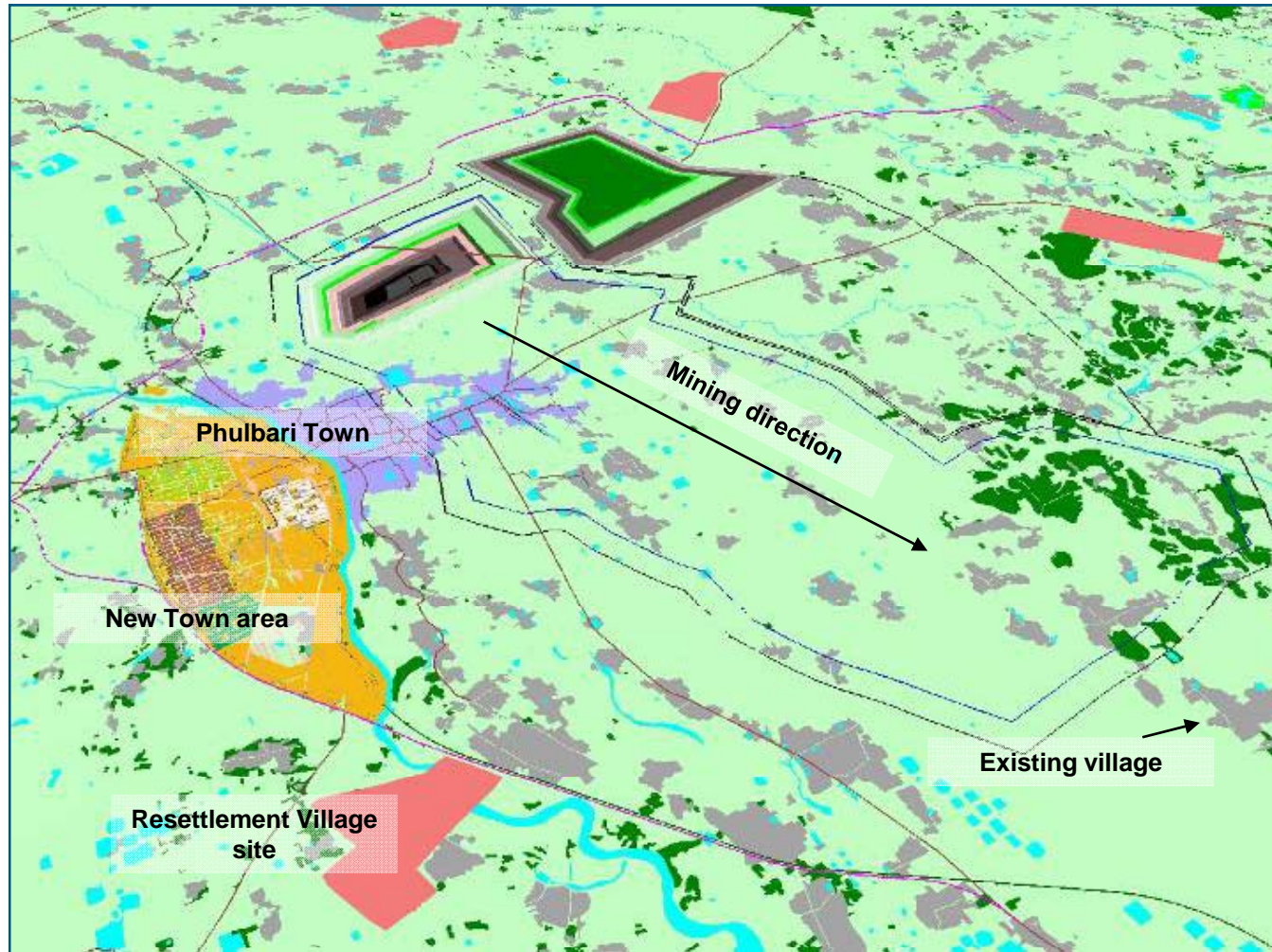
The Phulbari Coal Project



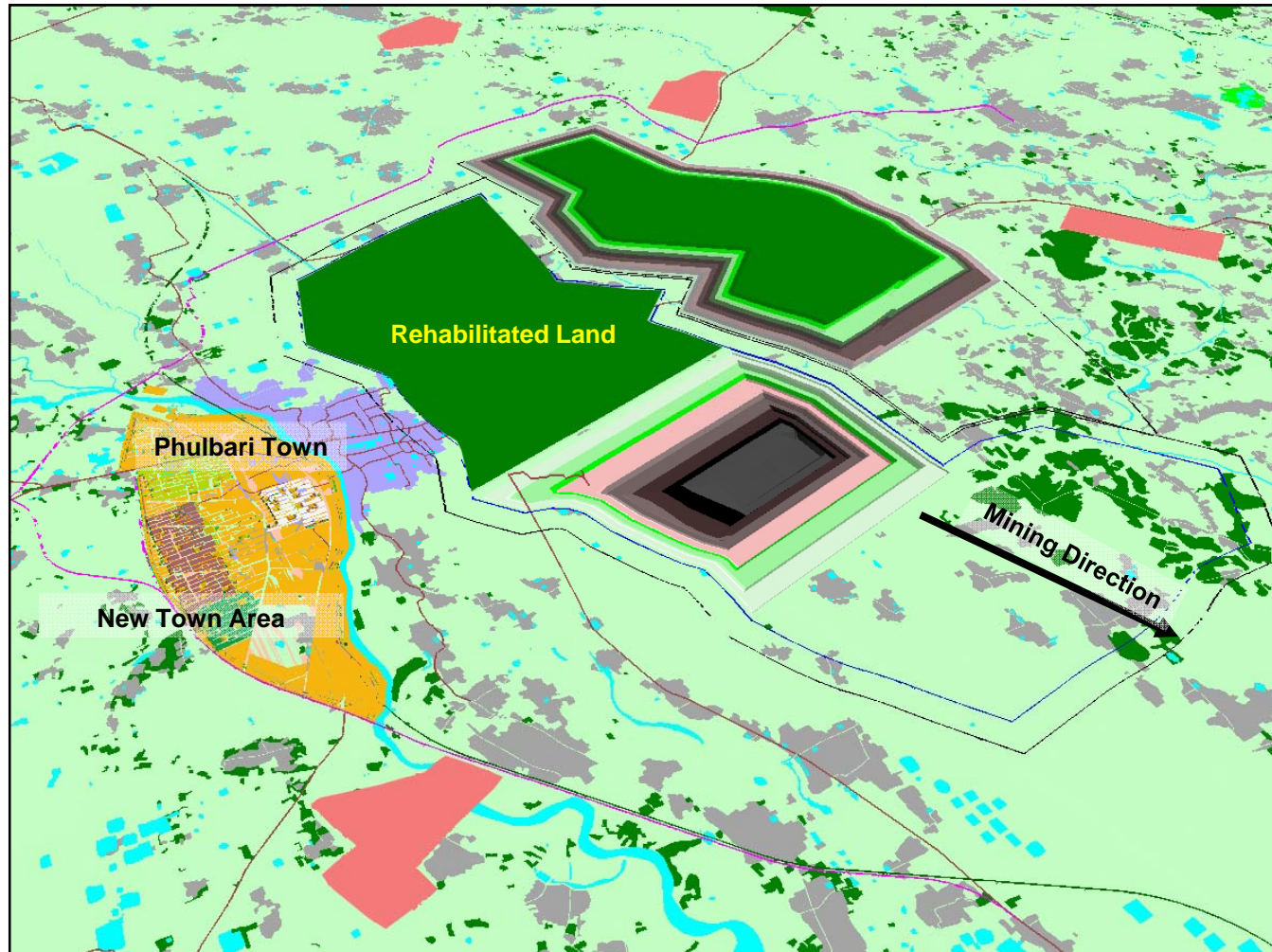
X-Section through Phulbari & Barapukuria Coal Basins



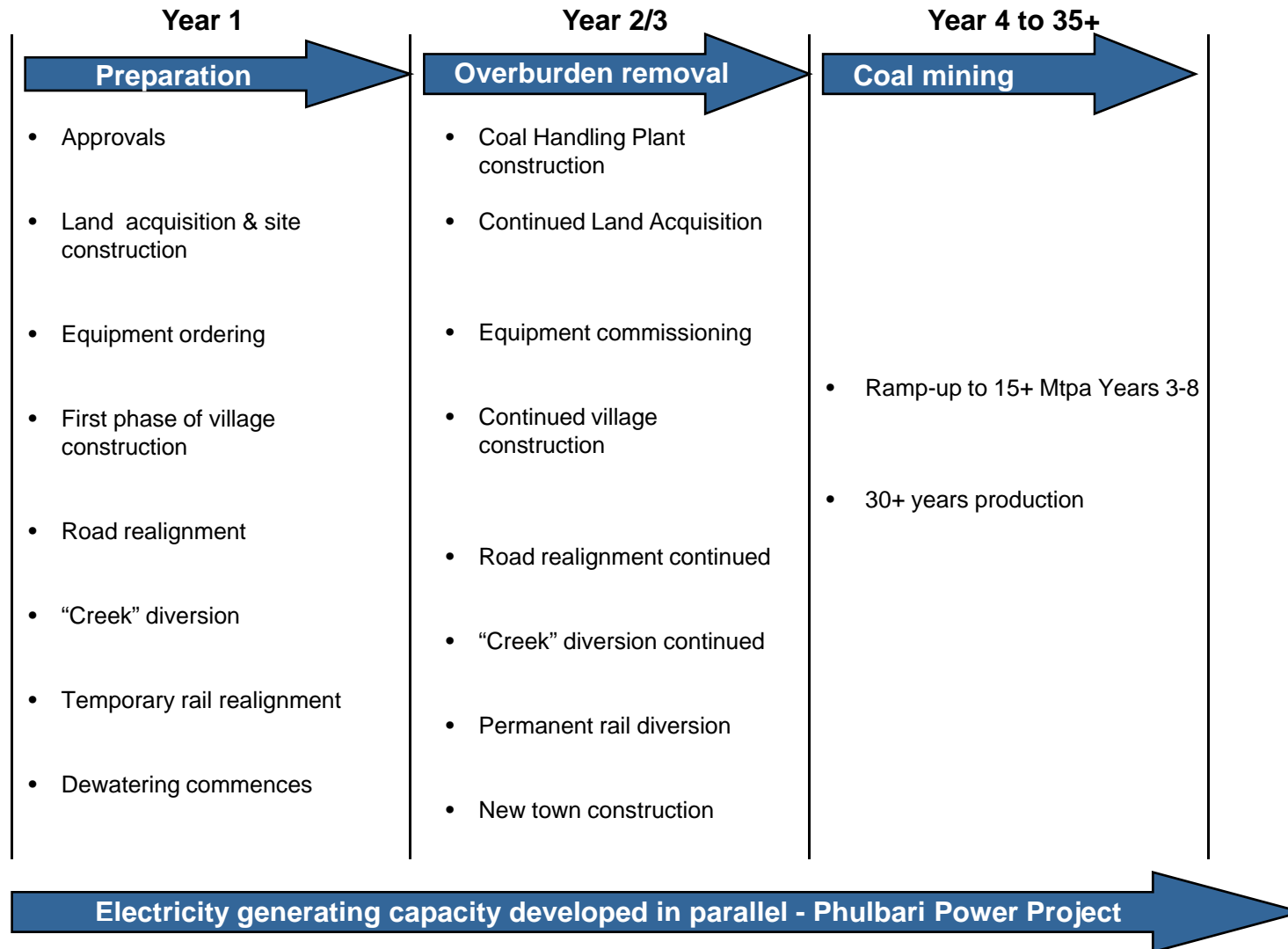
Mine Footprint



Mine Footprint



Phulbari Coal and Power Timeline



Key project parameters

Total capital expenditure (life of project)	US\$bn	3.0
Initial capital expenditure (first 5 years)	US\$bn	1.5
Total sales volumes	Mt	435
Product mix (semi-soft:thermal)		20:80
Mine life	Years	34
Peak production/sales	Mtpa	15
First coal	Year	3
Full production	Year	7
Life of project average production cost (inc royalties)	\$/t	28

Resource Statement

	Upper Seam Mt	Main Seam Mt	Lower Seam Mt	Base Seam Mt	Total Mt
Measured	51	237			288
Indicated	62	124	39	19	244
Inferred	12	28			40
Total	125	389	39	19	572

Notes:

1. Results based on Geological Model submitted in July 2005
2. Table compiled from data contained in Phulbari Coal Project 'In Situ Resource Statement' issued by GHD to Asia Energy, August 2005

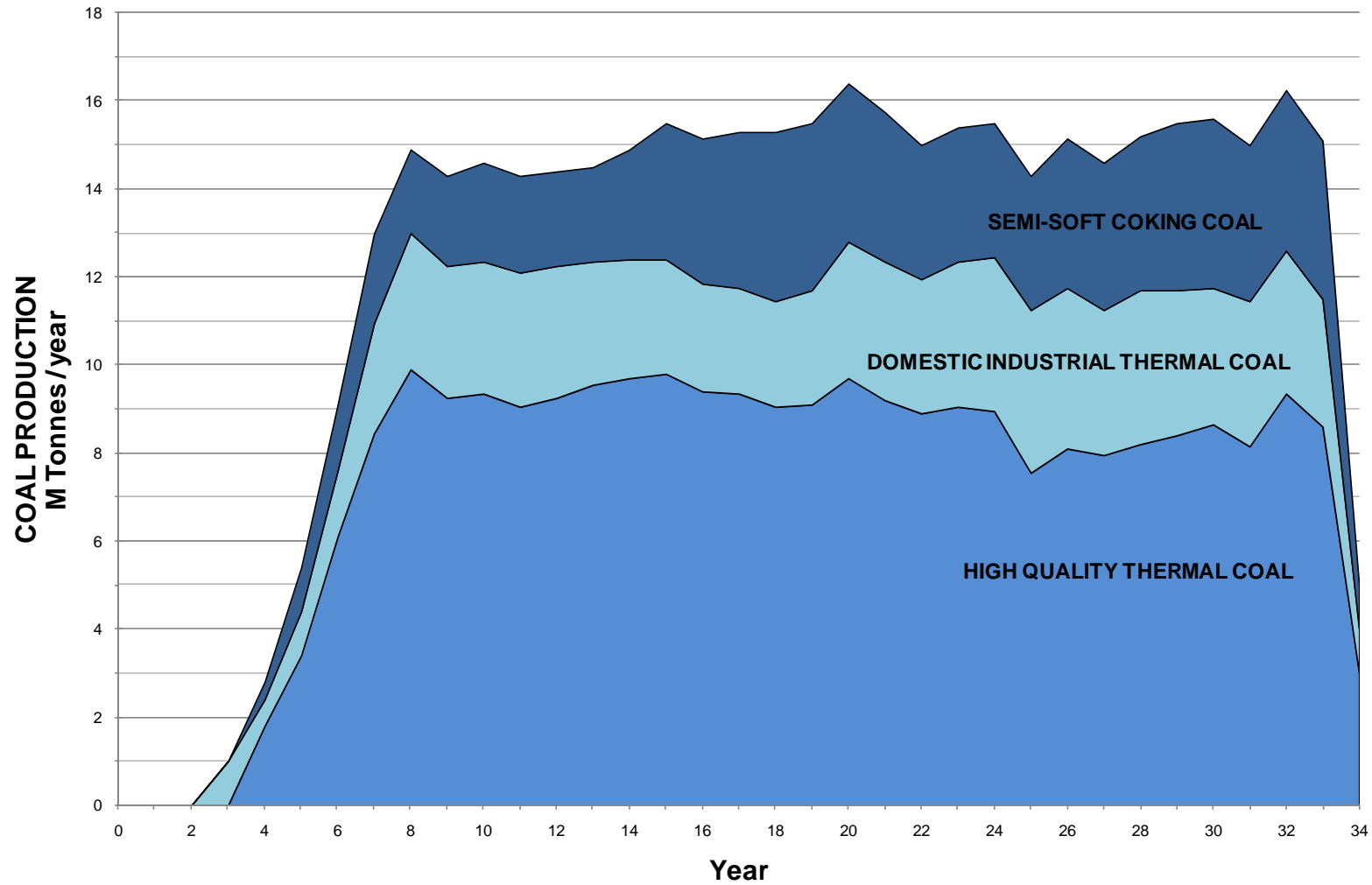
Phulbari High Quality Thermal Coal

Typical specification	Market preference	Phulbari	Hunter Valley
Specific energy, gross Kcal/kg	>6300	6930	6800
Total moisture (% as received)	<15.0	8.5	9.0
Ash (%)	<16.0	12.0	13.5
Fixed carbon (%)	>45.0	54.2	50.5
Sulphur (%)	<1.0	0.80	0.55

Phulbari Low Ash Metallurgical Coal

Typical specification	Market preference	Phulbari	Hunter Valley
Specific energy, gross Kcal/kg	>6800	7420	7200
Total moisture (% as received)	<12.0	10.0	9.0
Ash (%)	<11.0	6.8	9.5
Fixed carbon (%)	>50.0	56.7	54.2
Sulphur (%)	<1.0	0.75	0.55

Coal sales by type



Valuable co-products



Ceramics

Bricks and Pottery

Construction Rock

Glass

Construction Rock



Water also a co-product

Products from Phulbari Co-products



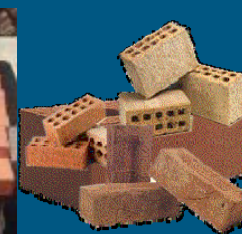
Ceramic products from kaolin



Pottery from clay



Glass wares from silica sand



Bricks from brick clay



Water



Concrete blocks from aggregates

Benefits of Phulbari Project

- **Energy Security**
 - Fastest and most reliable route to a new domestic source of electricity

- **Huge economic impact**
 - US\$7 billion Government earnings from tax, royalties and service charges
 - US\$21 billion contribution to GDP over Project life
 - US\$250 million annual impact on balance of payments
 - Overall effect estimated at approx 1% of GDP – every year

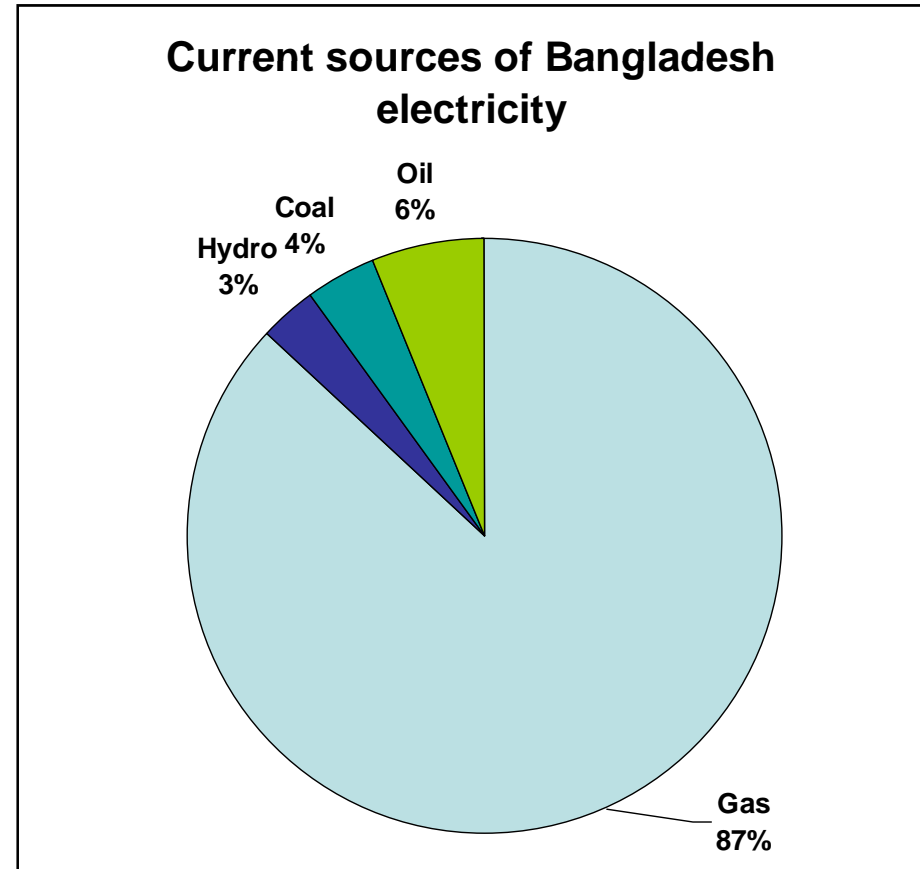
Benefits of Phulbari Project

- **Socio-economic development and environmental benefits**
 - Modern, planned new town – improved power, water, sanitation
 - Significant health and environmental benefits – replaces low quality imported coal
 - Large direct and indirect employment opportunities – estimated 17,000 jobs
 - Preferential employment policies maximise regional/country benefits
 - Increased agricultural productivity
 - Productive land post mine

- **Immeasurable associated benefits**
 - Improved infrastructure – a catalyst for further economic development
 - Helping to meet the Millennium Development Goals
 - By-product industries – ceramics, glass, construction materials, water
 - Potential for partial IPO on Dhaka stock exchange

Current Commercial Energy Sector

- **Currently highly dependent on gas**
- **Proven recoverable reserves of gas (8.5 TCF)**
 - Not sufficient to support required growth
 - Prospectivity high but development of new field takes, typically, 10+ years
- **Coal is a viable new source of energy**
 - Large known reserves – Phulbari reserves (572Mt) equivalent to 15 TCF of gas
 - ‘Off the shelf’ mining approach
 - First coal within three years, power within four years
 - Manageable environmental and social issues
 - Brings diversity to energy supply



Project History

1994	BHP signs licensing/investment agreement with BNP Gov't of Bangladesh (GoB)
1994-1997	BHP confirms presence of coal deposit with inferred resource of 387 million tonnes
1998	Contract assigned to Asia Energy Corporation (Bangladesh) Pty Ltd by Awami League GoB
2000	Pre-feasibility study confirms economic viability of the project
2000-2003	Resource increased to 370 million tonnes
2004	Asia Energy PLC admitted to AIM raising £14 million*
2005	Feasibility Study and Scheme of Development lodged with GoB £32 million* raised to fund initial development
2006-2008	State of emergency and Caretaker Governments
2009	Democratically elected Government resumes (Awami League)

** In addition to the principal equity issues shown above, GCM has raised £2 million from the issue/exercise of warrants and options*

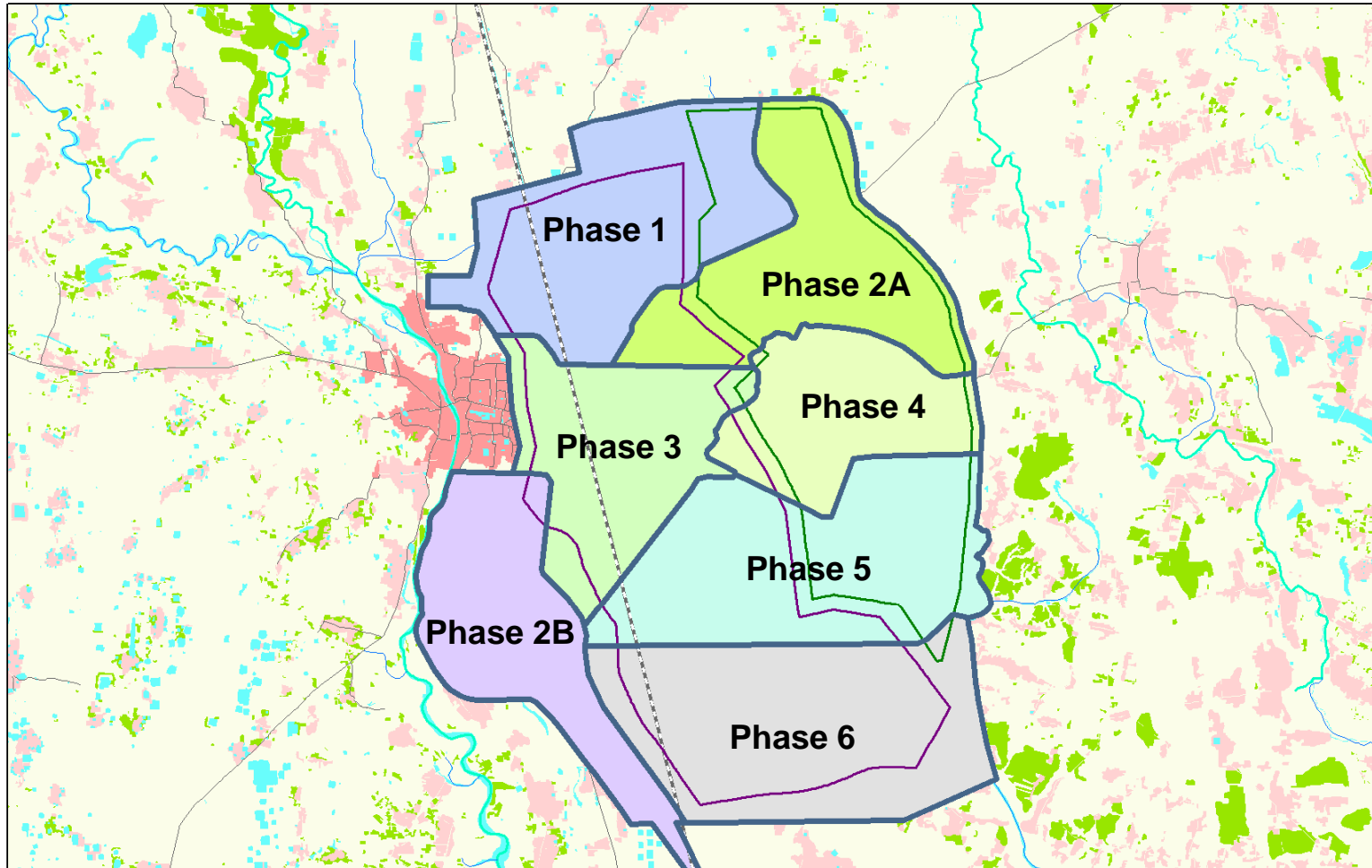
Political Situation

- **Governed by Caretaker Governments for two years under a state of emergency**
 - BNP Government hands over to Caretaker Government on 28th October 2006
 - President steps down and a state of emergency declared 11th January 2007
 - New Chief Advisor and Caretaker Government appointed 12th January 2007
- **Elections held 29th December 2008 in line with Caretaker Government commitment**
 - Clear winner (Awami League)
 - Government formed in January 2009
 - Energy security acknowledged as a key priority
- **Ministerial /parliamentary visits to coal mine in Cologne, Germany facilitated by GCM (2010/2011)**
- **GoB actively encouraging development of a coal based power sector. State owned PDB formed a joint venture to develop coal fired power stations**
- **Discussions with the Government now focused on details of the Project and its implementation**

Community and Social Responsibility

- **All 'project affected persons' will be fairly compensated**
- **People will enjoy access to improved utilities**
 - Sanitation
 - Energy
 - Reliable and abundant water supply
 - Town
 - Village
 - Irrigation
- **Improved agricultural production**
- **Environmental and social impacts managed to international standards**
- **Resettlement plans reviewed by external experts**

Resettlement Phases



Total 9,160 households (40,304 persons) over 10 years
Phase 1 (753 households/3,313 people) Phase 2A,2B (6,655 households/16,082 people)

Coal is one element of a large project

- **The Phulbari Energy Development Project comprises the following sub-projects:**
 - The Phulbari Coal Project
 - 2,000 MW mine mouth power plant
 - 400 kw transmission lines connecting the power station to Khulna, Dhaka, and other major load centres
 - Railway lines connecting the Phulbari coal mine to Khulna port and other parts of Bangladesh
 - Port facilities near Khulna

Proven management team

- **Gerard Holden (Non-executive Chairman)**
 - Former Global Head of Mining and Metals at Barclays Capital
- **Steve Bywater (Chief Executive)**
 - Former Chief Operating Officer for Rio Tinto Coal Australia (7 mines producing 60Mt per annum)
 - Previous experience includes Robe River Mining (GM Operations) and Hamersley Iron (GM Mine Operations)
- **Graham Taggart (Finance Director)**
 - Former CFO and Company Secretary for Rio Tinto Coal Australia (7 mines producing 60Mt per annum)
 - Previously GM Commercial and CFO of Kaltim Prima Coal (20Mt per annum)
- **Bill McIntosh (Technical Director)**
 - Key roles in mining projects in Colombia, Indonesia, Zimbabwe, Argentina, India and Australia
 - GM – Mining at Kaltim Prima Coal (20Mt per annum)
- **Stephen Dattels (Non-executive Director)**
 - Founder and financier of several mining ventures including Uramin.
 - Executive Chairman of Polo Resources Ltd
- **Greg James (Non-executive Director)**
 - Former CEO of Central Rand Gold Limited.
 - Previously CFO of the Coal Division of Glencore
- **David Weill (Non-executive Director)**
 - Considerable experience in natural resources, investment management and corporate finance
 - Chairman of Caledon Resources plc

Phulbari Summary

- **A world class undeveloped coal project**
- **Located close to consumers**
- **Can provide a solution for Bangladesh power requirements**

GCM Resources