

**BEHRE DOLBEAR GROUP INC.
STATEMENT OF QUALIFICATIONS**

**CORPORATE OVERVIEW AND
EQUATOR PRINCIPLES EXPERIENCE**



BEHRE DOLBEAR

founded 1911 MINERALS INDUSTRY ADVISORS

We **Know** The **Business** Of **Mining**

Behre Dolbear Group Inc. Statement of Qualifications Corporate Overview

Behre Dolbear Group Inc. (Behre Dolbear or the Company) is one of the oldest, continuously operating, mineral industry advisory firms in the world. Since 1911, we have specialized in studies for commercial and multilateral financial institutions, mining companies, governments and governmental agencies, legal firms, and other parties with interests in the minerals industry. Behre Dolbear's global experience covers the full spectrum of technical, operational, and financial issues in a broad range of commodities including base and precious metals, coal, industrial minerals, diamonds and gemstones, ferrous metals, and construction materials.

Our worldwide network of offices allows us to be a truly global company. Behre Dolbear operates from offices in 12 of the mining world's most important cities:

• Denver • Chicago • Beijing • Guadalajara • Hong Kong • London
• New York • Santiago • Sydney • Toronto • Ulaanbaatar • Vancouver

We design each project team to specifically meet our client's needs, using professionals with the specific experience needed to successfully complete assignments. For this reason, each office can draw upon personnel from the other offices to assure that the best-qualified professionals are assigned to a client.

Behre Dolbear is known internationally as a "businessman's consultant." Our people have first-hand experience in senior management and executive-level positions, giving them practical and insightful knowledge and skills. They are commercially experienced mineral industry professionals.

The Company possesses unparalleled credibility with the world's major finance organizations and is familiar with the intricacies of project development, financing, mergers, acquisitions, and privatizations. The international mining and financial communities recognize our reports as being among the most accurate and reliable documents in the industry. By engaging Behre Dolbear, our clients gain access to a world-class consulting group, whose studies and reports have international credibility and acceptability.

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Behre Dolbear brings to every project a breadth and depth of experience that encompasses the technical, financial, and managerial aspects of the industry. Some examples of Behre Dolbear's advisory and consulting services follow:

<u>Technical Advisory Services</u>	<u>Financial Advisory Services</u>	<u>Management and Business Advisory Services</u>
<ul style="list-style-type: none"> • Conceptual, scoping, prefeasibility, and feasibility studies • Planning and monitoring of mineral exploration programs • Technical evaluations and consulting for: <ul style="list-style-type: none"> – Resource and reserve reports – Mine plans, including equipment selection – Metallurgical and mineral processing flow sheets and equipment – Chemical facilities • Environmental and sustainability program development and evaluation • Optimization reviews of operations to identify opportunities for productivity improvements and cost reductions • Expert witness testimony for technical issues 	<ul style="list-style-type: none"> • Due diligence reviews in support of financings, investment decisions, acquisitions, dispositions, and mergers • Valuation of mineral properties, reserves, mines, mineral processing facilities, and chemical plants • Independent and owners' engineer services • Preparation of technical documents required for listings on the various global stock exchanges, including the U.S., Canadian, London, AIM, Australian, and Hong Kong stock exchanges • Preparation of pro-forma cash flow projections • Risk assessments, including political, financial, and technical 	<ul style="list-style-type: none"> • Privatization of government-owned mining companies • Strategic business plans for mining companies and individual operations • Development of corporate, operating, engineering, and human resource policies, procedures, and organizational structures • Development and restructuring of national mining laws • Market surveys for mineral products • Strategy formulation in connection with preparation or negotiation of contractual agreements, such as mergers, acquisitions, and mineral sales contracts

“We Know the Business of Mining”

Behre Dolbear Group Inc. Statement of Qualifications Equator Principles

The Equator Principles are voluntary guidelines that were adopted initially in June 2003 by 10 leading financial institutions from 7 countries. The Principles are used for the evaluation of social and environmental risks in the financing of global natural resources development projects. Behre Dolbear was one of the important consultant advisors as the Principles were developed. These Principles have been in place for 8 years now; they were revised in July 2006. The Principles have been adopted or re-adopted by over 65 global banks and financial institutions as of March 2011. The Principles are based on the general standards and guidelines of the World Bank and its International Finance Corporation (IFC).

The 65 or so banks and financial institutions that currently comprise the Equator Principles Financial Institutions (EPFIs) include: [REFORMAT LIST AS NEEDED]

- ABN Amro Bank, N.V.
- Absa Bank Ltd
- Access Bank
- Banco do Brazil
- BankMuscat
- BBVA Spain
- BTMU
- CIBC
- CORPBANCA
- DnB Nor
- Export Development Canada
- FirstRand Bank Ltd
- HSBC Group
- ING Group
- KBC
- KfW IPEX-Bank
- Millenium bcp
- Nedbank Group
- Rabobank Group
- SEB
- Standard Bank Group
- Standard Chartered Bank
- Unicredit Bank AG
- WestLB AG
- ANZ
- Arab African Int Bank
- ASN Bank NV
- Banco Galicia
- Bank of America
- Bank of Tokyo-Mitsubishi NJ
- BES Group
- BMCE Bank
- Caixa Economica Federal
- Caja Navarra
- CIFI
- Credit Suisse Group
- EFIC
- FMO
- Industrial Bank Co Ltd
- Intesa Sanpaolo
- la Caixa
- Lloyds Banking Group PLC
- Mizuho Corporate Bank
- Nordea
- Royal Bank of Canada
- SMBC
- TD Bank Financial Group
- Westpac Banking Corporation
- Banco Bradesco
- Banco Republica Oriental del Uruguay
- Banco Santander
- Bancolombia SA
- Barclays plc
- BMO Financial Group
- BNP Paribas
- Credit Agricole
- Citigroup Inc.
- Dexia Group
- EKF Denmark
- Eksportfinans ASA
- Fortis Bank NV/SA
- Itau Unibanco S/A
- JP Morgan Chase
- Manulife
- National Australia Bank
- NIBC Bank
- Scotiabank
- Societe Generale
- The Royal Bank of Scotland
- Wells Fargo & Co

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The revised Principles embrace many issues, with the most important listed below as key components of the social and environmental assessment required on every project reviewed,

1. Assessment of baseline social and environmental conditions
2. Consideration of feasible environmentally and socially preferable alternatives
3. Requirements under host country laws and regulations, and applicable international treaties and agreements
4. Protection of human rights and community health, safety, and security; of cultural properties and heritage; and of biodiversity, including endangered species and sensitive ecosystems
5. Sustainable development and renewable natural resources
6. Use of dangerous substances
7. Major hazards
8. Labor issues and occupational health and safety
9. Fire prevention and life safety
10. Socioeconomic impacts
11. Land acquisition and involuntary resettlement
12. Impacts on indigenous peoples and affected communities
13. Cumulative impacts of existing projects, the proposed project, and anticipated future projects
14. Participation of affected parties in the design, review, and implementation of the project
15. Efficient production, delivery, and use of energy
16. Pollution prevention and waste minimization, pollution controls, and solid and chemical waste management

These points must be addressed, as applicable, under the basic tenets of the Principles in the context of the business of the project. This is accomplished through Environmental Assessments (EAs) of various sorts and designations in different countries, project permits, studies, and reports.

The revised 2006 Principles emphasized several new areas:

- Project financings with total project capital costs of US\$10 million or more (versus US\$50 million previously) must have the Principles applied.
- A Social and Environmental Assessment (SEA – see aspects and issues in the list of 16 above) is required relevant to the level of expected impacts. (These combine the EIA-Environmental Impacts Assessment and SIA-Social Impact Assessment reports, using the previous jargon.)

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- IFC Performance Standards and Industry-Specific EHS Guidelines apply to projects in countries without well-developed environmental regulatory systems (see Exhibits III and IV on the Principles website).
- For projects with moderate to major potential impacts, an Action Plan (EMP-Environmental Monitoring or Management Plan in previous jargon) is required outlining mitigation commitments, funding, monitoring, reporting, and corrective actions.
- More formal consultation with affected parties, disclosure, and grievance mechanisms are specified.
- Independent consultant review of the reports and process is also specified as well as independent expert monitoring and reporting over the life of the loan.

To give an example of how the Performance Standards and EHS Guidelines could be used on a specific project, an open pit copper mine, process plant, and smelter project is considered. Nearly all of the 8 specific IFC Performance Standards would apply, such as a SEA, labor and working conditions, and pollution prevention and abatement. In regards to the Industry-Specific EHS Guidelines, Number 2-Base Metal and Iron Ore Mining and Number 8-Copper Smelting are applicable. IFC Guidelines such as Number 13-Occupational Health and Safety and Number 24-Waste Management Facilities may also apply. Additionally, the 1995 World Bank guideline for Mining and Milling-Open Pit is still in use and is applicable.

RECENT EQUATOR PRINCIPLES PROJECTS

In many of Behre Dolbear's project evaluation studies, an Equator Principles component is included. Depending upon the client's requirements on a case-by-case basis, Behre Dolbear's Equator Principles reviews can be quite detailed, or they may cover the fundamentals to ensure adequate Equator Principles reviews and commentaries, aspects and issues are included in project plans, commitments, and other documents. Following are several examples of recent studies that either included significant Equator Principles review components or were conducted as stand-alone Equator Principles evaluations:

- Behre Dolbear performed an Equator Principles Review of the Gosowong/Togurachi gold mining project in Indonesia. Behre Dolbear specifically studied biodiversity, water discharge, and indigenous peoples' issues related to this operating project in Indonesia. Behre Dolbear also developed a proprietary checklist and study methodology on behalf of the clients.
- As part of a feasibility study for the U.S. Trade and Development Agency, Behre Dolbear performed an extensive Equator Principles analysis of the proposed Amesmesa gold mining project in the Hoggar region of Algeria.
- In Colombia, Behre Dolbear performed Equator Principles and sustainability reviews for prospective investors regarding two coal and coke projects in the central Departments north of Bogota. Topics addressed included local customs, practices and enforcement, air emissions and worker health; mining methods, and compatibility with local land uses.
- In Papua New Guinea, Behre Dolbear conducted an Equator Principles compliance review and developed an extensive opinion regarding Placer Dome's long-operating Porgera gold project. The work, performed for a major financial institution, included analysis of difficult topographic, cultural, and climatic settings, again using a detailed proprietary methodology tailored specifically for that project.
- Behre Dolbear's professionals performed an Equator Principles conformance review for the Milpillas copper project, which was in the advanced stages of exploration in the Mexican state of Sonora. A follow-on project has assessed the important reclamation and closure issues and developed a conceptual plan, with costs, in view of the Principles and best global practices. Standard Operating Procedures were developed for operations and closure phase practices at various mine and process plant facilities.

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- Behre Dolbear conducted an Equator Principles review for Twin Mining Company of the Atlanta gold mining and processing project, Idaho, United States. This work was part of an overall feasibility study.
- For a scoping study of Freedom Gold's Bogon Gedeh project in Liberia, Behre Dolbear used the Equator Principles as guidelines in the conduct of a comprehensive review of social, environmental, and sustainability issues. The project was in the intermediate stages of exploration, yet already had a history of dramatic social and environmental issues.
- In Ghana, Behre Dolbear completed a feasibility study for solar salt recovery projects on the Songor Lagoon. Working jointly for the U.S. Trade and Development Agency and the Republic of Ghana, Behre Dolbear provided extensive social and environmental investigations, including analyses of legal and societal issues related to tribal land ownership claims and mining rights.
- Behre Dolbear performed a technical review of the expansion program at Canada's Alouette aluminum smelter for Credit Suisse First Boston and its syndicate of lenders to Albecour, Inc. The review included an Equator Principles-based study of environmental, regulatory, and social issues in the sensitive areas around Sept-Iles, Quebec.
- In the Democratic Republic of the Congo, Behre Dolbear's professionals produced a fairness opinion on the prospective financial contributions of a mining company proposing copper project revitalization. An Equator Principles review and sustainability analysis assessed the environmental, social, economic, financial, and governance aspects of the project. Financial contributions projected for each of these areas during project life were compared to other global mining projects.
- In Brazil, Behre Dolbear reviewed risks to exploration, geology, gemstone cutting and polishing, marketing, environmental, social, and community issues for an international investment bank. The review assessed an emerald and other gemstones mine in advanced exploration. Equator Principles compliance comprised a portion of the environmental, social, community, and sustainability review.

BEHRE DOLBEAR'S SPECIALISTS

Behre Dolbear has several environmental specialists with diverse backgrounds in industry and regulatory agency service. Individually and collectively as teams, these specialists are well-qualified to perform Equator Principles reviews and similar project studies.

Janet Epps – Social, Sustainability, and Environmental Specialist

Ms. Epps has over 30 years of experience in the mining and environmental disciplines and has worked in a multitude of countries, including Australia, Africa (Zambia, Namibia, Uganda), Kyrgyzstan, Jordan, Israel, Asia, South and Central America, Eastern Europe, Papua New Guinea, Indonesia, and the Philippines. She has also provided specialist environmental and community issues management and policy and regulatory development consultancy services in the power generation, chemical, forestry, water irrigated agriculture, and transport sectors. As well as working with the private sector, she has worked with the United Nations (UN) and the World Bank Group (including International Finance Corporation and MIGA) in both staff and consultant capacities. In this international advisory role she provided policy advice to governments of developing countries, designed projects, reviewed private sector developments, and contributed towards national and sectoral sustainable development strategies. She sat as an ombudsman on a World Bank Steering Committee addressing social issues and has conducted local and international workshops and training sessions on various subjects relevant to environmental and social issues management. She has also contributed to the development of UN and World Bank Group Environmental Guidelines.

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Adrian Brett – Legal, Regulatory, and Environmental Specialist

Mr. Brett is an environmental engineer and legal specialist with 30 years experience in environmental management and engineering, environmental regulation and policy development, and sustainable development. He has worked extensively in Australia, Papua New Guinea, the Philippines, South East Asia, Africa (Nigeria, Zambia), and South America. He has consulted to numerous governmental organizations, including: United Nations agencies (UNEP, UNDP, UNESCAP, UNCTAD, UNRFNRE, DDSMS), the Government of Zambia's Ministry of Mines and Minerals Development, The World Bank, the Government of Nigeria's Ministry of Solid Minerals Development, the Australian Environment Protection Agency, Australian National Rail, and New South Wales State Agencies (Environment Protection Authority, Zoological Parks Board, City Rail, Pacific Power, and Roads and Traffic Authority). He has consulted to major mining companies such as BHP Coal, CRA/Kembla Coal and Coke, Springvale Coal JV, Sumitomo Coal Mining Co., Shell, New South Wales Mines Rescue Board, Camberwell Coal, and Esso Australia.

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Scott Mernitz, Ph.D. - Environmental, Regulatory and Sustainability Specialist

Dr. Mernitz has more than 25 years of experience in environmental due diligence, fatal flaw analysis, agency negotiations, and conflict resolution for mining, mineral processing, and related infrastructure facilities worldwide, with specific Equator Principles review experience in Central and South America, Africa, and the Middle East. His experience also consists of extensive U.S. NEPA EIS and EA project management; mining, solid, and hazardous waste management; environmental regulation and permitting; energy and mineral project planning; socio-economic and sustainability studies; and environmental impact assessments. His project management experience includes several major interdisciplinary environmental baseline studies, permitting, mining waste regulatory policy, domestic EIS and EA efforts, and international EIA reviews. He has also managed hazardous and mine waste remedial investigations, feasibility studies, solid waste studies, and technical oversight projects. Much of his work has been performed under U.S. Environmental Protection Agency (EPA) requirements. He has served as a principal investigator on several studies regarding public participation, community relations, socio-economic and socio-cultural impacts, and sustainability. In 1980, he authored *Mediation of Environmental Disputes: A Sourcebook*, a 200-page textbook on the topic and has practiced in this arena since that time.

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Ralph W. Crosser – Mineral Processing and Environmental Specialist

Mr. Crosser has over 30 years of experience in the mineral industry related to evaluation and development of plant operations, capital projects, and environmental management. Mr. Crosser's background is enhanced by senior environmental managerial experience in the capacity of corporate representative and operations manager relating to evaluations, feasibility studies, capital cost estimates, and project management. He has participated in Equator Principles reviews with Behre Dolbear for projects in the Middle East and Africa.

As Director, Environmental Services, Amax, Inc., Mr. Crosser was responsible for technical environmental support functions to all Amax facilities and operations. He was designated corporate environmental representative to trade organizations, such as the American Mining Congress, and was responsible for environmental regulation negotiations with the EPA regarding mining and processing operations. His other assignments included responsibility for all environmental control, permitting for major mine development, and conducting environmental due diligence investigations for acquisitions and dispositions of Amax operating units.

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Kenneth Paulsen – Mining Engineer and Environmental Specialist

Mr. Paulsen has over 30 years diversified experience in mining operations management and management of environmental affairs in the mining and mineral processing industry. He has worked both in the coal and the metals mining industries, performing environmental examinations of mining and mineral processing properties in conjunction with due diligence

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evaluations, environmental audits, and financial appraisals. He has worked in Russia, Africa, Southeast Asia, North America, the Caribbean, South America, Australia, and New Zealand. Mr. Paulsen's work has included evaluations of air emissions, water discharges, solid waste disposal, and mine reclamation plans as well as evaluations of surface water and groundwater hydrological conditions as they are impacted by mining operations. He has also evaluated the feasibility of obtaining permits for future operations and the liabilities associated with adherence to government requirements or potential citizen complaints. Additionally, Mr. Paulsen has reviewed permit compliance for existing operations, provided assistance in obtaining government approvals, including management of environmental studies and negotiation with government representatives.

Before joining Behre Dolbear, Mr. Paulsen was Vice President of Amax Resource Conservation Company, where he managed corporate environmental liabilities, corporate environmental auditing, and environmental review of corporate acquisitions. He was responsible for the development of a system of estimating financial reserves for environmental liabilities. Mr. Paulsen managed all of Amax's involvement with federal Superfund and similar state-response activities, directing a staff of engineers and scientists who planned and performed site investigations, feasibility studies, and remedial work.

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Baltazar Solano-Rico – Geologist and Environmental Specialist

Mr. Solano is an engineering geologist and has degrees and a certificate in environmental impact studies from universities in Mexico and the United States. He is Director-General of Behre Dolbear Mexico in Guadalajara. With more than 30 years of experience in the areas of mine geology, exploration, evaluation, and development of natural resources, including 10 years in the development and supervision of environmental impact studies and analysis of risks, he is well-qualified to perform Equator Principles reviews. He managed and participated in such reviews for Peñoles in Mexico and in a similar international EIA and SIA review for a gold project in Suriname. He speaks, reads, and writes fluent English and Spanish.

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**Carole Ramsay – Social and Economic Sustainability, Specialist in Economic Development
Priorities for Mining Companies in Local Communities**

Ms. Ramsay is an economist who focuses on economic development in the mining and oil and gas industries. She has worked on such projects in East Timor, Mongolia, and Ecuador; and has consulted on such issues with the United Nations and the International Finance Corporation of the World Bank Group. She has performed such assessments as well in Haiti, Ghana, and Nigeria. Conflict resolution in violence-based work stoppages and profit curve analysis are two areas of specialty. Ms. Ramsay is a regular speaker on the Equator Principles, the IFC Performance Standards, and on the Extractive Industry Transparency Initiative (EITI) as well as

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on the practice of improving firms' bottom lines through resource-specific economic development beyond these regulations. She holds three Master's degrees in related fields , is the author of *Protecting Investment, Profit, and Personnel*, and is a frequent speaker on economic development approaches for mining enterprises at relevant professional conferences.

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