
Press Release

Resumption of Mining Operations at the Munali Nickel Mine Celebrated with an Official Ceremony by His Excellency Edgar Lungu, President of Zambia

Lusaka, Zambia - 16 April 2018: Mabiza Resources and its major investor, Consolidated Nickel Mines Ltd (“CNM”), are pleased to announce the resumption of mining operations at the Munali Nickel Mine, located in Southern Zambia.

The refurbished mine was officially opened today by His Excellency Edgar Lungu, President of the Republic of Zambia at a ceremony with key dignitaries from Government, including the Minister of Mines, the Honourable Richard Musukwa, MP and the Minister of Health, the Honourable Dr Chitalu Chilufya, MP.

Since CNM became the new operators of the Munali Nickel Mine in 2014, the experienced team has invested over \$50 million to restart the mine. CNM has undertaken a complete reassessment of the project. All key technical aspects have been reviewed and re-engineered, from re-interpreting the orebody, changing the mining method, to revising the metallurgical process with the introduction of Dense Media Separation (“DMS”) technology and differential flotation.

The Munali Nickel Mine comprises an underground mining operation extracting nickel sulphide ore, DMS technology and standard flotation circuit to produce a 10-12% nickel concentrate. The mine expects to ramp-up production to steady-state levels of 60,000tpa by Q4 2019. The mine is managed by an all-Zambian management team and currently has a workforce of 380 people, of which 10% are women.

“It is with great pride that we celebrate the official opening of Zambia’s newest nickel mine, the Munali Nickel Mine. Today marks a new beginning for the mine with a bright future ahead, backed by an experienced investor Consolidated Nickel Mines” said Matthew Banda, General Manager, the Munali Nickel Mine, and Mabiza Resources. *“We are committed to being a responsible miner and ensuring the socio-economic benefits created by the mine are lasting and shared with our local communities and host government.”*

Simon Purkiss, CEO of CNM, said *“Today is the culmination of nearly four years of hard work by the team and has involved a full reassessment of the project to de-risk it both technically and economically. I’d like to thank all the stakeholders involved – our employees and contractors, local communities, business partners, regulatory authorities and Government – who have contributed to our plan to re-start operations at the Munali Nickel Mine. This is a tremendous accomplishment.”*

About CNM

Consolidated Nickel Mines Ltd (CNM) is a privately-owned mining and development company that invests in African base metals projects. Founded by an entrepreneurial management team with strong operational expertise, CNM’s approach is to acquire underperforming assets and apply optimised mining and processing methods to improve economic performance and deliver value to stakeholders. www.cnmplc.co.uk

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Social Investment in the Munali Nickel Mine

Health and safety, corporate social responsibility (“CSR”) and environmental stewardship are equally as important as successful operational performance to both Mabiza Resources and CNM. Being a responsible mining company is essential to receiving a social licence to operate. The Munali Nickel Mine has been recognised by the Zambian Government as “the leading mining company for CSR in Zambia” for its innovative approach to CSR.

At the Munali Nickel Mine, the Resettlement Action Plan (“RAP”) has been successfully completed, with \$7.5 million spent on building new homes for the households impacted by the mine’s operations, as well as community infrastructure, including a new school, a new clinic, community water boreholes, a community dam and two bridges.

Alongside the Munali Nickel Mine’s CSR programmes, CNM has established the Musangu Foundation, providing seed money for the first year of business. The Musangu Foundation aims to create livelihoods in rural Africa in collaboration with the mining sector through a variety of projects. The projects move away from the typical ‘donor’ style, and instead embed business principles, generating sustainability and longevity. The Foundation also works with mining companies to strengthen their relationships with stakeholders and local communities.

Over the past two years, the Foundation has focused on several livelihood creation and enhancement initiatives including:

- Trialling energy efficient cook stoves
- Implementation of conservation farming practices
- Delivery of educational resources to schools
- Establishment of the ‘agriculture economic zone’ at the Munali Nickel Mine, in conjunction with Good Nature Agro. Plans to establish a peanut processing facility on-site, coupled with a grower scheme, should result in over 4,000 local livelihoods within the next three years.

CNM and the Musangu Foundation have also founded Impact Capital Africa which provides Zambian SMEs access to finance to enable them to grow. To date, over \$55 million has been raised for local impact enterprises since the October 2018 investment forum.

“We are thrilled to celebrate with the team at Mabiza and CNM as they move from care and maintenance into operations. It has been an honour to work with a team who have put social investment at the core of their approach from the get-go. We look forward to continuing our successful collaboration and would like to thank both Mabiza and CNM for their on-going support” said Emma Parker, Operations Director at the Musangu Foundation.

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