

UMBONO CAPITAL



World Class Antimony Deposits: South Africa and Spain.

**Paul Nex
June 2013**

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Cons Murch, (South Africa) & San Antonio, (Spain)

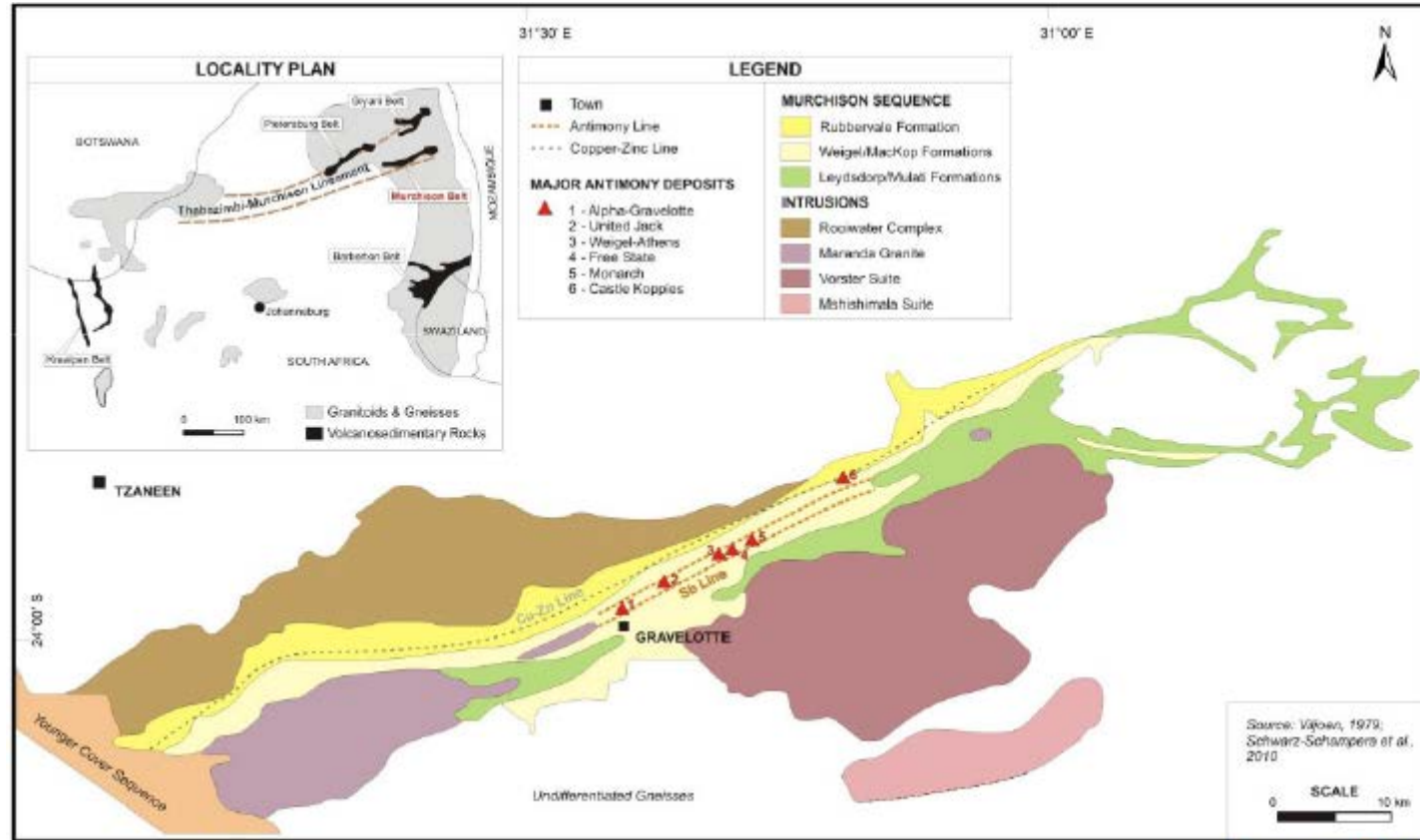


formerly Consolidated Murchison

Currently owned by Village Main Reef (66.6%), Cons Murch Trust (23.4%), BEE Consortium (10%)

The Umbono Group is a shareholder (x%) in Village Main Reef

3 operating shafts
2 operating declines



Mineralization occurs along 20 km of strike in an epithermal vein system associated with gold.

Largest antimony producer outside China

1934 Large scale production began

1972 Renamed Consolidated Murchison

1991 Acquired by JCI

1997 Acquired by Metorex

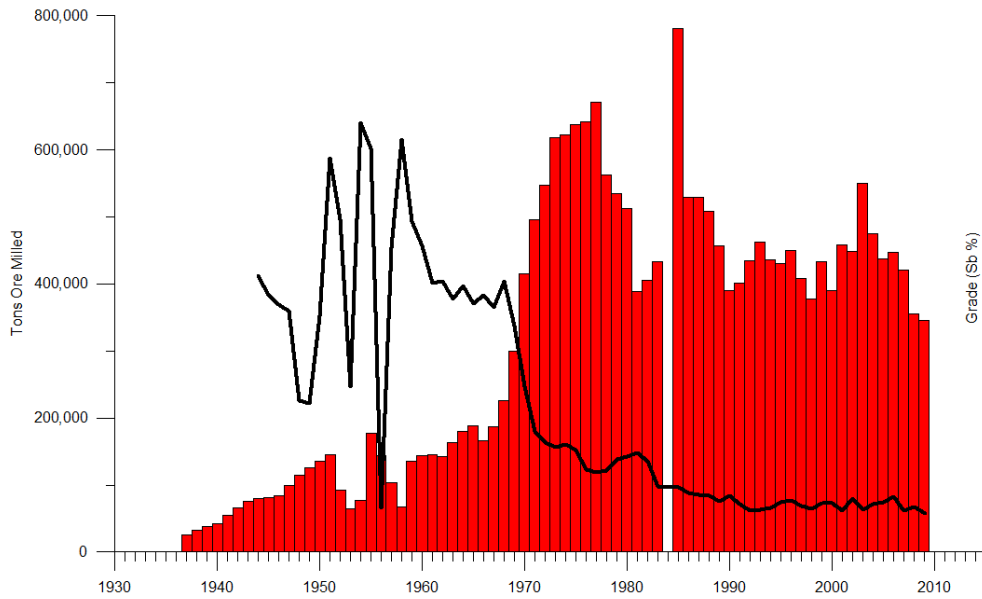
2009/10 TTP took over operational management and secured an offer to purchase

2010 Renamed Cons Murch

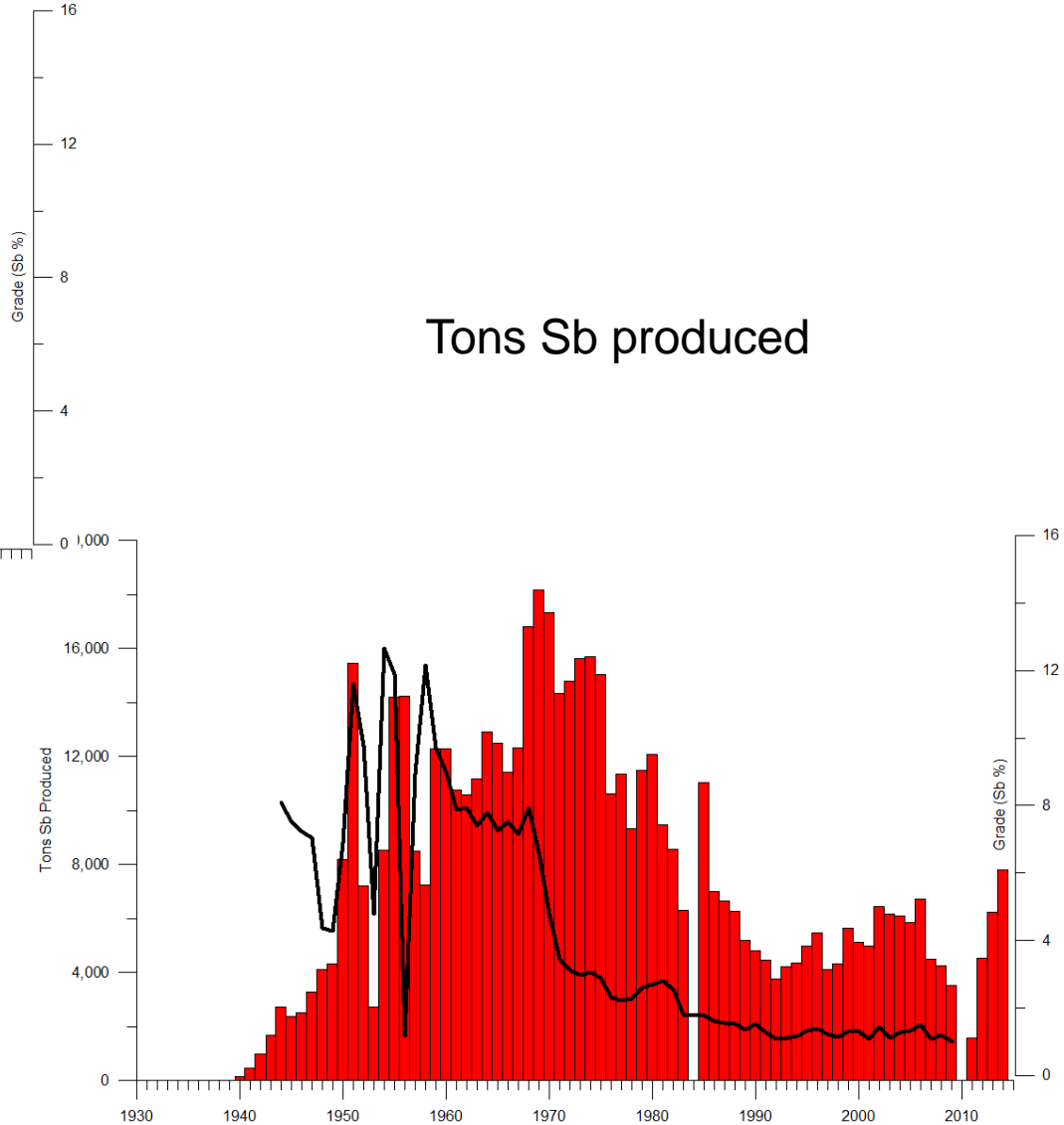
2011 Acquired by Village Main Reef

Currently deepening of shafts is being undertaken and conversion to mechanised mining commenced in 2011.

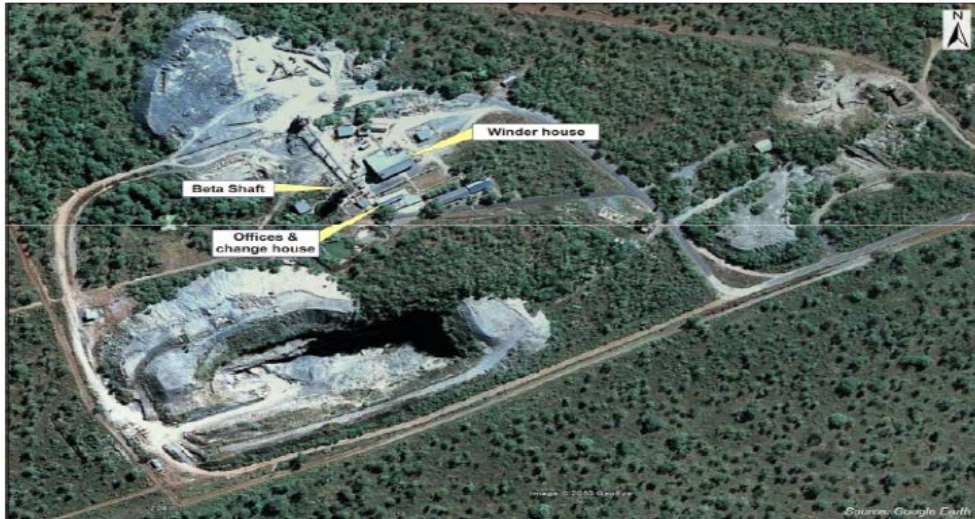
Cons Murch is available for purchase and a process is underway run by Village Main Reef



Tons Ore Milled



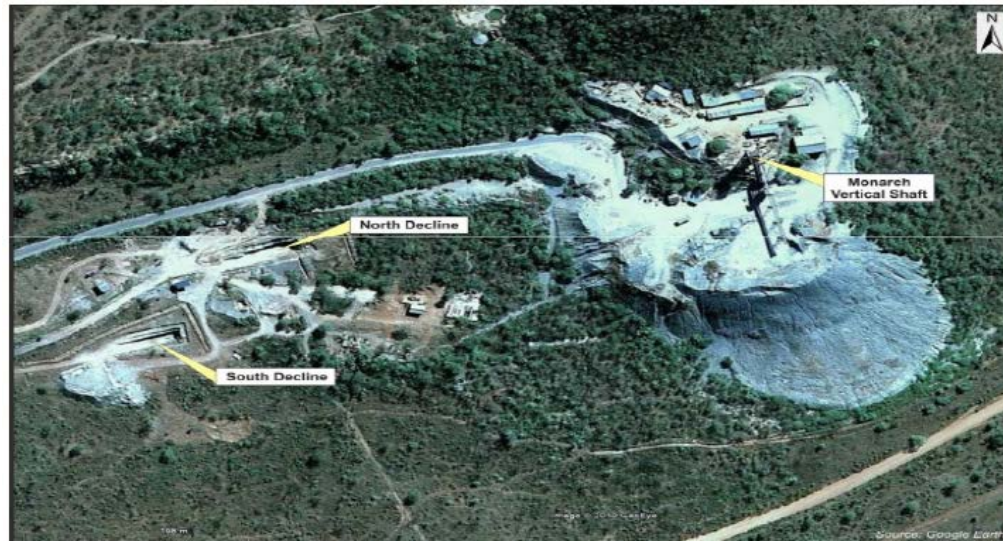
Tons Sb produced



Aerial View of Beta Shaft



Aerial View of Athens Shaft

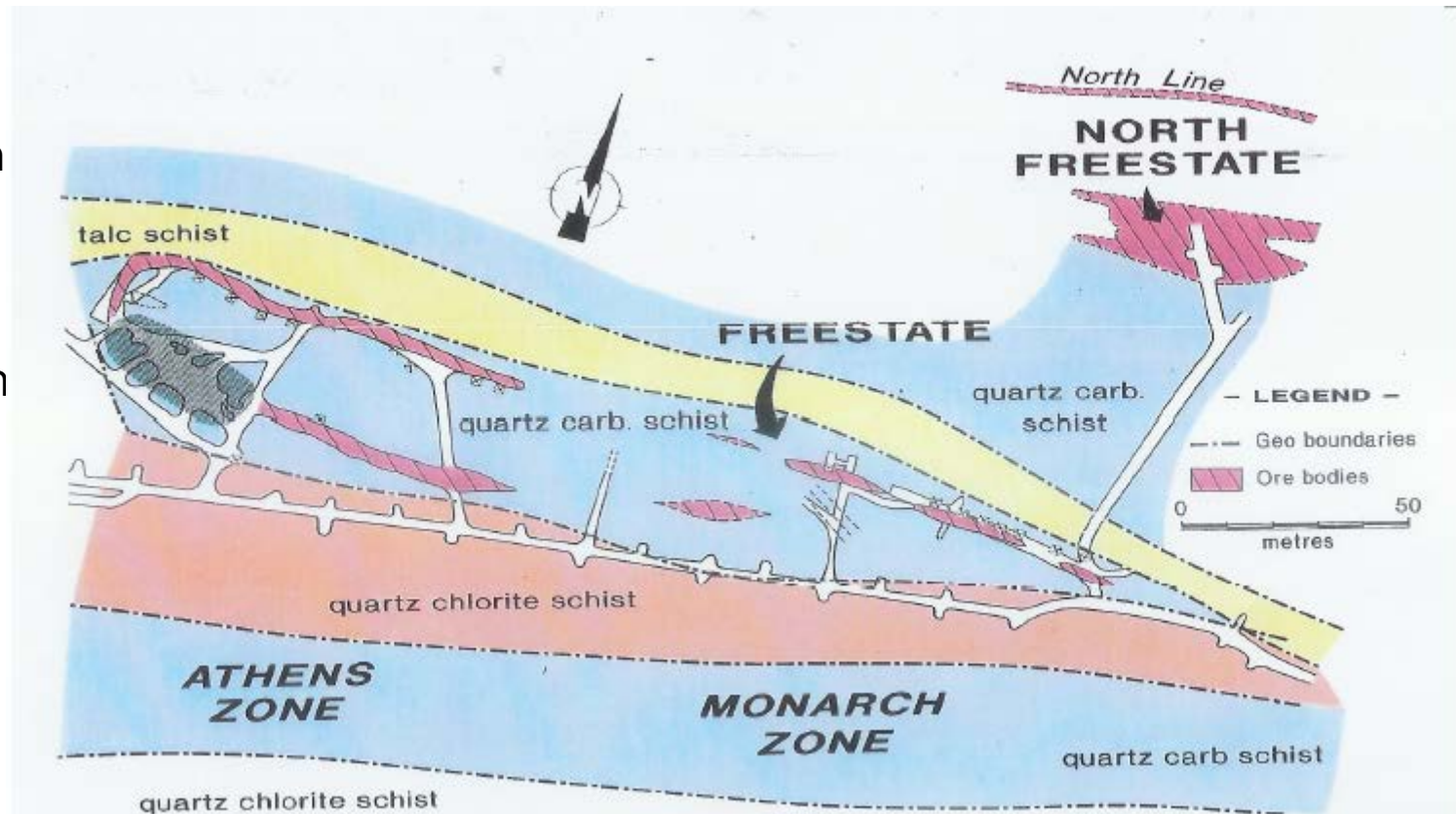


Aerial View of Monarch Shaft

Located along the “Antimony Line” of the Archaean Murchison Greenstone Belt.

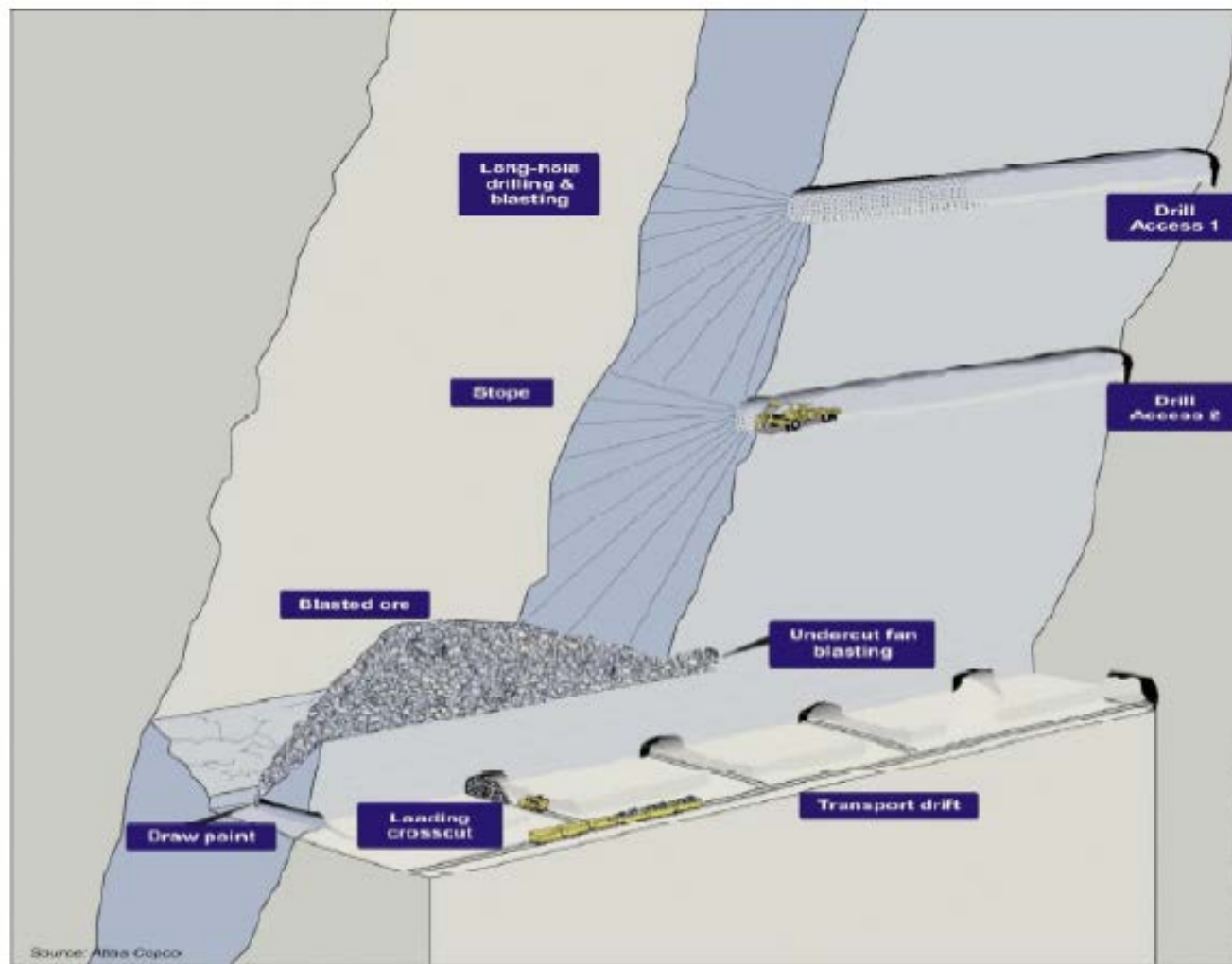
Stibnite ore occurs in lenticular zones, disseminations or irregular veins and stringers of stibnite-quartz-carbonate.

General dip of ore body is 60-85 degrees north.

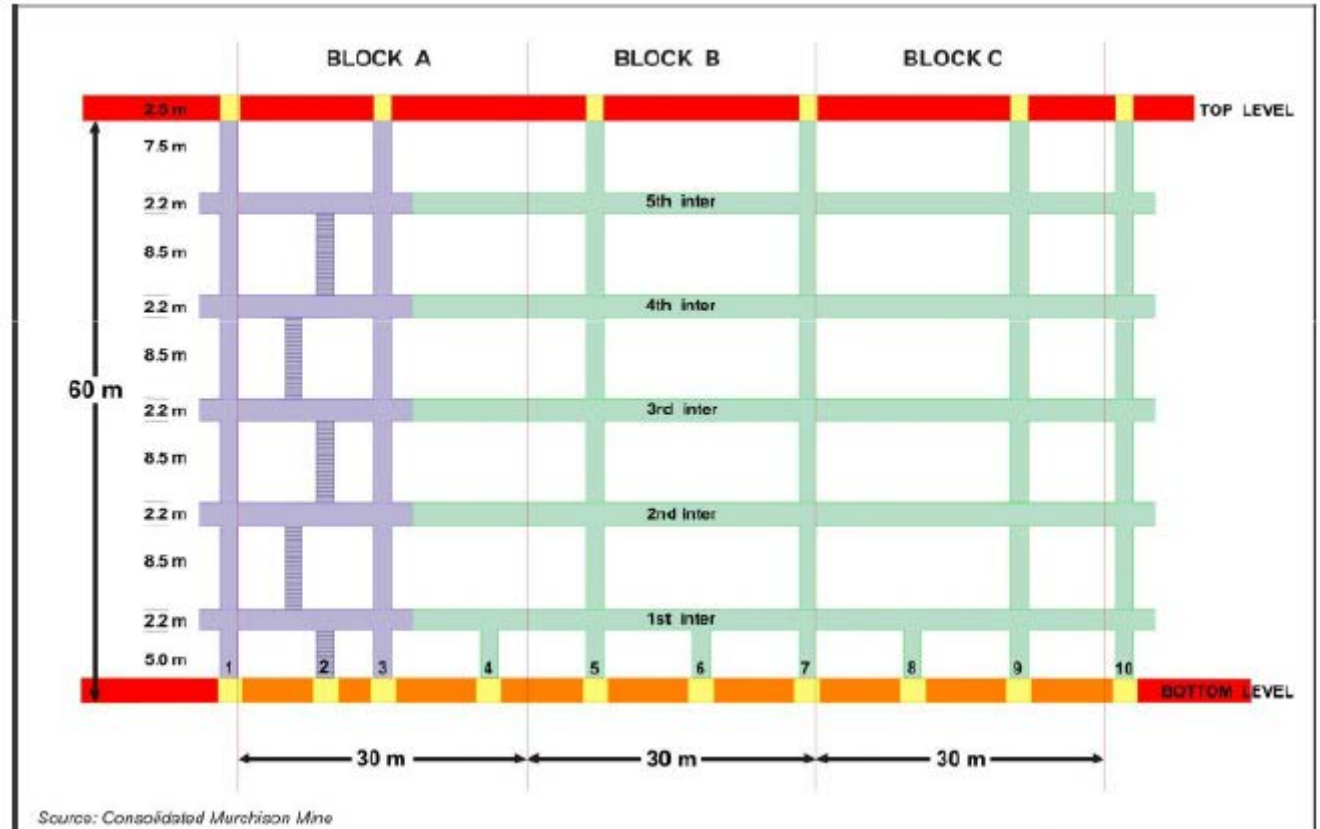


Historically a typical sublevel open stoping method has been used to exploit the orebody with shafts expending to 1,000 m.

Currently deepening of the shafts is being undertaken and a transition to mechanised mining is in progress.



Conventional mining levels are spaced 60 m apart with sub-levels 8.5 m apart.



Sectional view of mining layout between two levels

Resources and Reserves (2011)

Resources

Antimony ore 9.5 Mt @ 2.17% Sb (26,848 tons Sb metal)

Gold ore 9.5 Mt @ 2.44 g/t

Reserves

Antimony ore 993,000 t @ 2.67% (26,547 tons Sb metal)

Gold ore 993,000 t @ 3g/t (96,000 oz Au)

Life of mine is currently 11 years
(NB for most of its life since the 1930's the LOM has been 11 years)

Athens Shaft

Average Sb grade 3.30%

Average Au grade 0.26 g/t

Currently mining at 29 level
(1,000m deep) and establishing
31 level with mechanised
mining.

Production to be increased to
7,000 tpm



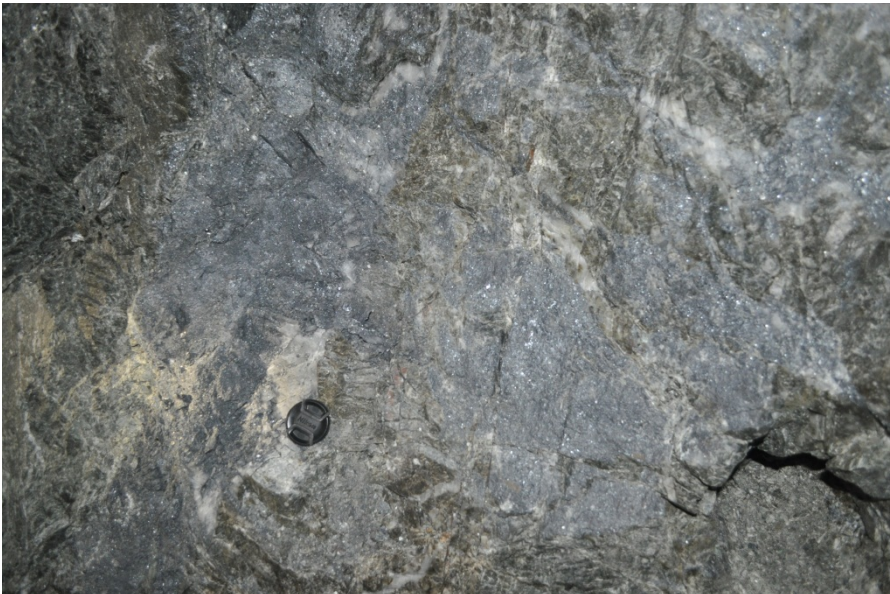
Monarch Shaft

Average Sb grade 3.20% Sb

Average Au grade 2.5 g/t

Level 31 established at 1,100 m depth, development to 33 level by mechanised mining commenced

Production to be increased to 7,500 tpm



Monarch Decline:
Existing surface decline
operating at 1,000 tpm
and will be increased to
5,000 tpm.



Beta Shaft

Average Sb grade 1.93%

Average Au grade 0.89 g/t

Currently mining at 28 level (and undertaking exploration drilling to 22 level).

Current monthly output between 7,000 and 8,000 tpm.



Other projects:

Gravelotte surface decline – first blast in 2012 and currently being developed as a mechanised mine.

Two slimes dams on the property have been drilled and evaluated and a feasibility study is in progress.

Dam 1 ~ 6 Mt resource

Dam 2 ~ 8 Mt resource

Combined extractable resource is expected to be ~ 12 Mt with a grade of about 0.46 g.t Au

Umbono's San Antonio Project is located in the west of Spain, 35km north of the town of Badajoz and 7km west of Albuquerque in the Badajoz Province of the Autonomous Community of Extremadura

San Antonio Project

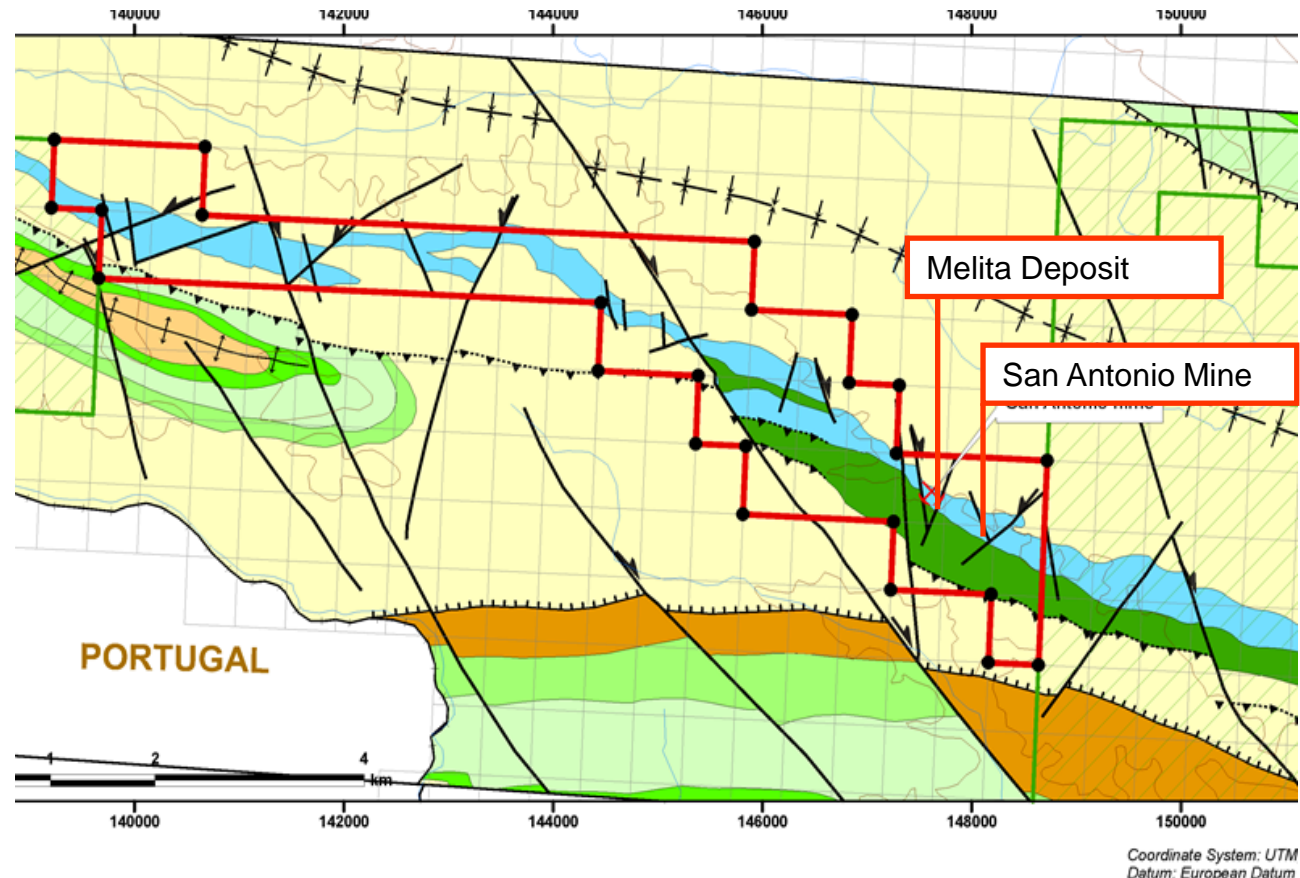
- The San Antonio antimony deposit was **mined from 1976 to 1986**
- At the time, it was **Europe's largest antimony mine**
- The main deposit was mined to 310 m and remains **open at depth**
- Historical antimony grades averaged **9% to 12.5%**
- The exploration target is a **1.1 Mt** resource at an average grade of **6.4% Sb**, for a potential ore value of **USD 700 m**
- The exploration target would contain **70,000 t of antimony**, making it potentially one of the most significant deposits in the world



The San Antonio Project is a near drill-ready, historical antimony mine targeting the existing resource below the historical mining level, as well further known and potential deposits in the extension of the prospective geology along strike

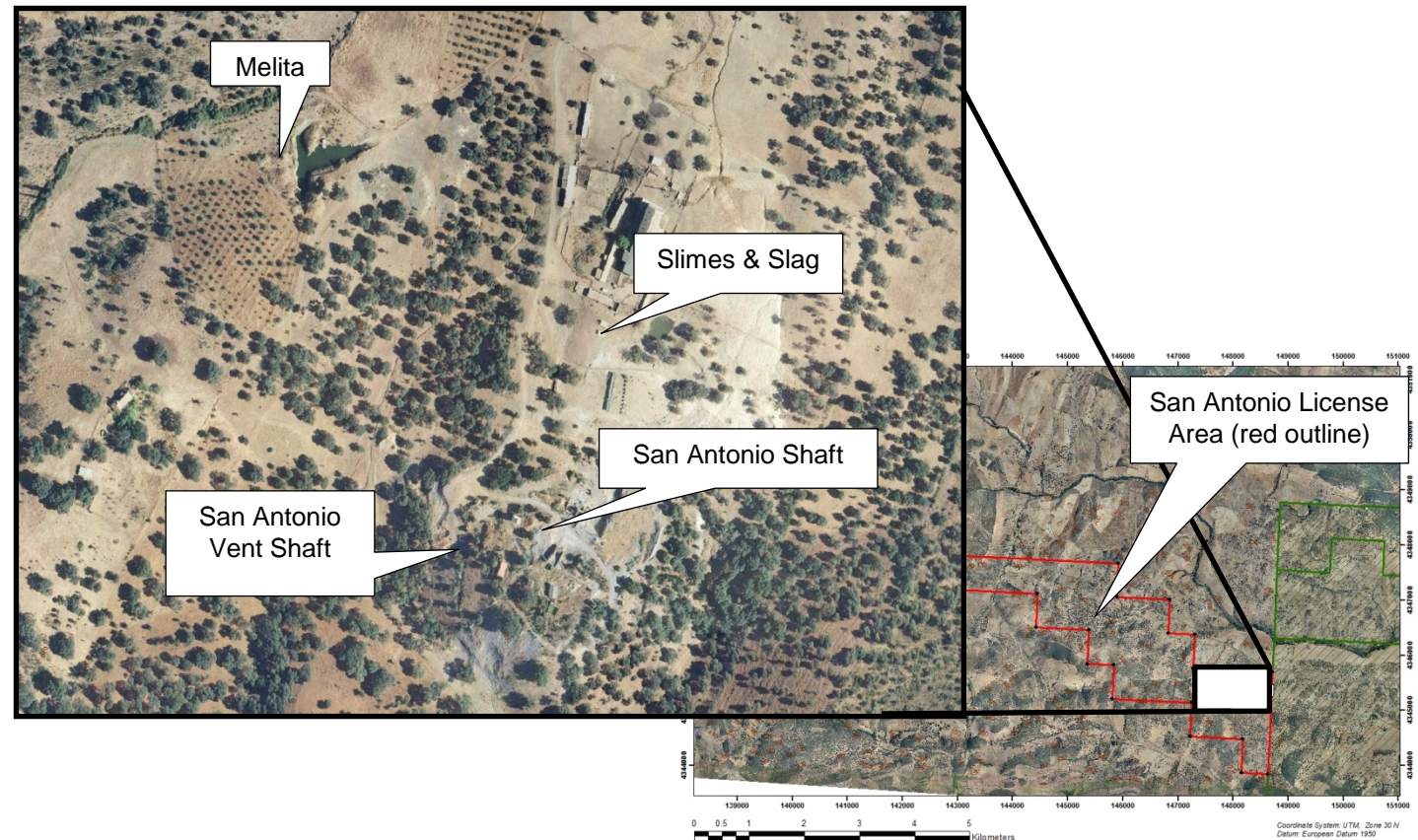
The San Antonio Exploration License
(license area shown in red outline)

- The prospecting license covering 35 mining blocks was awarded in **February 2013**
- The area extends from the San Antonio Mine to cover **9.5 km of carbonate lithologies** (shown in blue) prospective for antimony mineralisation
- Historical exploration identified **additional mineralisation** within the area, including the Melita deposit



Historical mining activities focused on the main San Antonio deposit, which was exploited to a depth of 310 m, while the extension of the main deposit at the ventilation shaft location was exploited to a depth of 100 m. Both of these deposits remain open at depth. A third deposit, Melita, was targeted and drilled but not developed

- Reported antimony grades for the main San Antonio deposit and the vent shaft extension were **12.5%** *and* **6%** respectively
- Exploration conducted in respect of the Melita deposit reported a **grade of 6%**

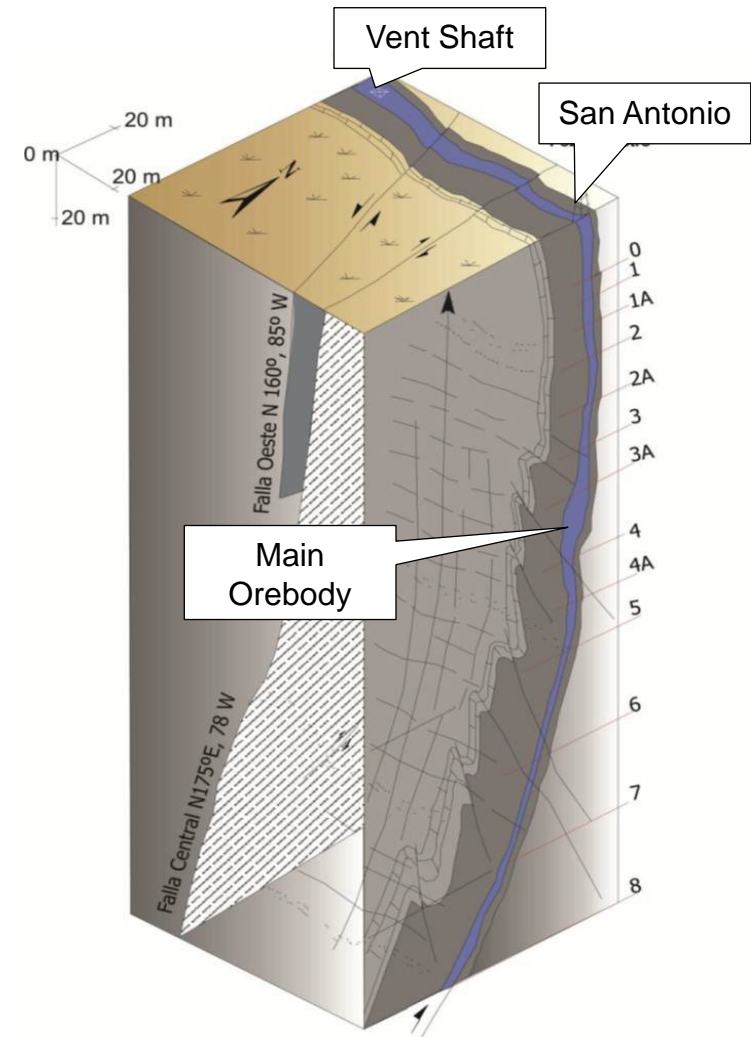


The main San Antonio deposit is a subvertical pipe-like hydrothermal orebody that dips from surface towards the south

Block model of the San Antonio antimony deposit¹

- The adjacent block model of the San Antonio deposit shows the location of the main and ventilation shafts at surface
- The geometry of the orebody can be seen dipping towards the south
- Mining **head grade was reported as 12.5%**, with a **cut-off grade of 9%**
- The metallurgy of the deposit is well understood, with high recoveries and no significant levels of deleterious elements such as lead, mercury and arsenic

Note 1: Gumiel , 1983 (this diagram was constructed in the 1970's when the exploitation had only reached level 8)



Both the main San Antonio mine shaft and the ventilation shaft are currently open and appear to be in good condition. Future work will include an assessment of the viability of re-equipping and enlarging the shaft to shorten lead time to production and reduce capital development cost

Figure 1



- **Figure 1:**
A view of the San Antonio mine shaft and surrounding farmland
- **Figure 2:**
A view of the entrance to the ventilation shaft
- **Figure 3:** The eastern adit of the San Antonio mine showing direct access to the main orebody

Figure 2



Figure 3



Visible portion of the main orebody

Based on available historical information we have calculated a potential exploration target of approximately 1.1 million tonnes of ore at an average grade of 6.4%, for a total of 70,000 tonnes of antimony, which at current market prices represents total project ore value of USD 700m

Exploration Target

	Ore Tonnes	Grade	Contained Sb
San Antonio	590,000	6.74%	39,766
Vent Shaft	265,000	6%	15,900
Melita	227,000	6%	13,620
Total	1,082,000	6.4%	69,286

Assumptions

➤ **San Antonio Deposit**

- Extension to a depth of 800 m from the current level of 310 m
- Grade reduced from historical averages to make provision for additional mining dilution

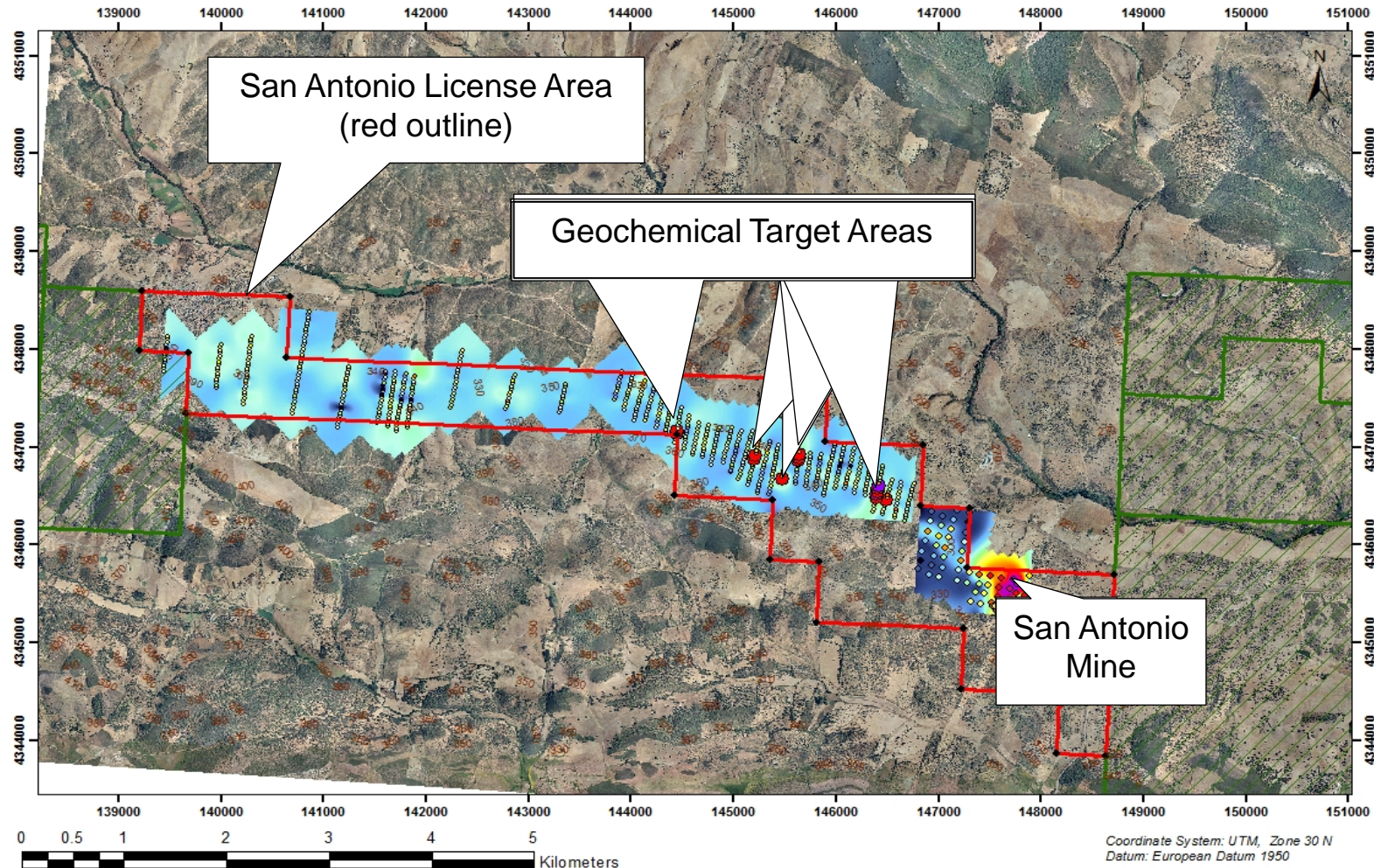
➤ **San Antonio Extension (Ventilation Shaft)**

- Extension to a depth of 800 m from the current level of 100 m
- Grades of 6% based on historical mining information

➤ **Melita Deposit**

- Exploitation of the deposit from surface to a depth of 400 m
- Grades of 6% based on historical drilling

In addition to the three known orebodies, geochemical sampling in the project area identified several anomalies to be targeted for future exploration



A 3 year exploration programme is proposed to bring the San Antonio project to pre-feasibility stage. The programme would include work focused on the three known deposits, as well as exploration of the project area for additional targets

Year 1

- Acquisition, synthesis and evaluation of all historical data, including historical mining records and mine design
- Geological mapping of the three main deposit areas
- Creation of GIS and 3D geological models for the three main deposits
- Positioning of drill targets

Year 2

- Engineering evaluation of the existing shaft infrastructure
- Mapping and surface sampling of the project area
- Execution of the initial drilling campaign (estimated 5,000m programme)
- Publication of an initial resource statement

Year 3

- Execution of infill and resource delineation drilling campaign (estimated 15,000m programme)
- Updating of the resource statement
- Completion of the pre-feasibility study

The San Antonio Antimony Project represents a potential world class strategic resource, with several advantages over other earlier stage exploration opportunities

San Antonio Project Strengths

1. Known mining history
2. Extremely high historical resource grade
3. Well understood and clean metallurgy
4. Existing shaft infrastructure
5. Situated in a low risk EU member country
6. Known deposits open at depth
7. Additional geochemical anomalies indicate further potential along strike
8. A potentially world leading resource in size and grade

Thank you for your attention