

# New World Resources Dębieńsko Project Update

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# Dębieńsko – A Key Growth Platform

- Will account for c. 15% of NWR's production by 2018 at 2Mtpa
- A world class “modern” mine operating efficiently and safely
- Highly competitive in cost terms
- Predominantly high value coking coal, close proximity to market
- Established customer base given NWR relationships
- Clear project roadmap
- Solid community relations



# Mining operations overview

Reserve base	190 Mt
License to mine	50 years (until 2058)
Ramp-up period	5 years (first coal 2017)
Development CAPEX	EUR 411mIn
Mine entrance	Twin slopes + two existing shafts
Average annual production <sup>1</sup>	2.0 Mt p.a.
Average cash costs	c. 70 EUR/t (range 65-75 EUR/t)
LW sets operational	3 and 1 (spare)
Development sets operational	Up to 10 (incl. contractors)
Number of employees (incl. contractors)	Up to 2,100

<sup>1</sup> Limited by surface protection requirements of category III (6.5mm/1,000mm of horizontal displacement)

# Status of definitive feasibility study

## Phase 1 (Planning) - Completed as of March 31 2011

### Major CAPEX studies finalised

- Surface Infrastructure (Cuprum) – Poland
- Coal Preparation Plant (Separator-Roberts Shaefer) - Poland/US
- Access Slopes (PRG Mysłowice) – Poland
- Cost of Shaft Equipment (TWP) – RSA

### Financial model completed and sensitised

### Other studies/material

- 3D Reserve Model (SMS) - RSA
- 3D Mine Plan (SMS) – RSA
- Digital Surface Map – CAD Expert (Poland)
- Preliminary Peer Review (Marston) - USA
- Railway capacity analysis (Silesian Technical University) – Poland

### Phase 2 (detailed engineering)

- Expected to be completed by March 31 2012

# Regulatory situation

- Dębieńsko 1 mining license No. 8/2008 remains valid.
- Environmental report for access slope site has been submitted to local Municipality in June 2011.
- Addition to existing license to access slope site expected by the end of August 2011; required to begin excavation (Slope No.1).
- Excavation/construction permits from Construction Inspectorate and Mining Inspectorate expected in late fall 2011.
- Excavation start planned for late fall 2011/early winter 2012 (Slope No.1) .
- Submission of amendment to existing license awaits completion of the environmental review process; estimated time of approval within the next 6-12 months.
- Amended license expected in Summer 2012.

# Mine project

Mine site



Processing plant



# Mine Plan

- The mine will be open through two existing shafts and twin slopes driven from the surface towards the bottom (780m deep) of one of the shafts.
- After initial access is completed, the mine will be developed laterally to open three mining districts consisting of one longwall each.
- Following commencement of longwall mining in 2017, consecutive longwall mining districts will be successively developed.
- Mining sequence (always three longwall districts) will progress from the uppermost coal seams to the lower ones, available under the current license.
- At the rate of 2Mtpa about half of the existing/licensed reserves will be extracted for the duration of the current license (until 2048)
- Should the impacts of mining on the surface be lesser than allowed by the constraining license conditions, some increase in the currently assumed production rate may be feasible in the future.

# Processing plant

- A new processing plant, using the most advanced coal processing technology, will be constructed at the mine site between 2014-2016.
- Nominal throughput of the CPP is currently designed at up to 650t of final product per hour.
- There are provisions for increased throughput built into the plant design should such need arise.
- Plant products will consist of 7/8 of coking coal and 1/8 of thermal coal.
- Processed coal will be loaded through fully automated load-out/shunting station onto railway cars.

## Progress to date

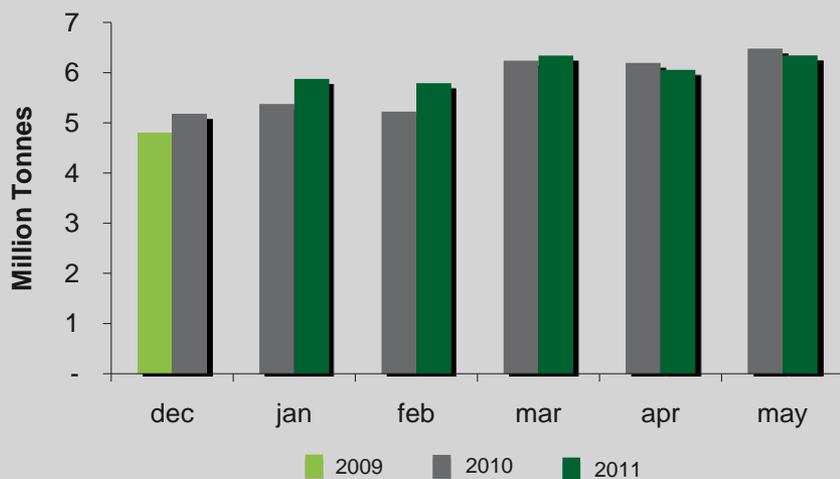
- Preparation of detailed mine construction plans and engineering studies progress as planned; all scheduled to be completed by 31 March 2012.
- Land/infrastructure acquisitions in progress, although delayed by the governmental bureaucracy; it is expected that all required infrastructure elements will be acquired by the summer of 2012.
- Good support for the project from local population despite some environmental review delays caused by a very small opposition group.
- Large number of job applications (about 3,500) already submitted and ongoing rush of job inquiries.
- Staged hiring of critical employees has already commenced and will continue according to project's staffing requirements.
- Selection process of potential contractors for various engineering and construction tasks has already commenced and will continue in accordance with the project schedule.
- Very good political support from the local levels of self-government.

# Q&A

# Appendix

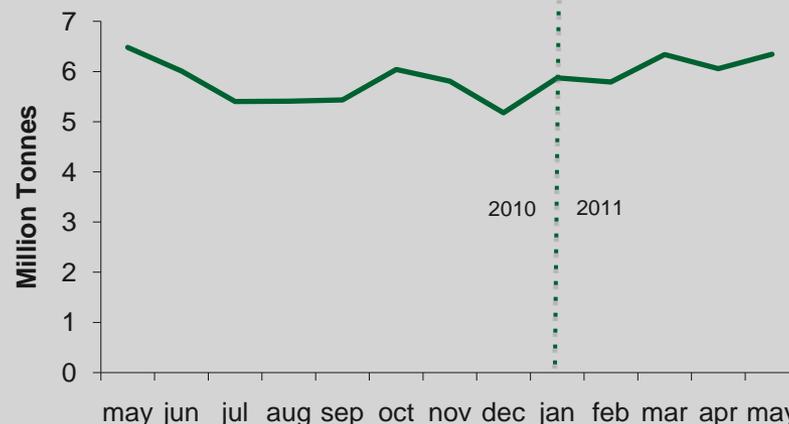
# Crude Steel Production Trends in NWR Markets: May

**Steel Production in NWR's Customer Markets**



Source: World Steel Association

**Long - Term Trend**



Countries included: Czech Republic, Slovakia, Poland, Germany, Austria

- At 6.35 Mt, steel production in NWR's main customer markets in May is down 2% from the same period last year.
- May production in the region is up 5% on the previous month.
- May production in the EU-27 is down 1% y-o-y and up 4% m-o-m.
- The world steel capacity utilisation ratio of the 64 countries reporting to the WSA in May 2011 was 81.7%, compared to 82.3% in April 2011 and 82.3% in May 2010.