



**Presentation to the Delegation of Red Back Inc.
and International Mining Analysts**

Nouakchott, on Tuesday 21 April 2009



MINING OPPORTUNITIES IN

Mauritania



Mauritania a Rising Mining Country



Islamic Republic of Mauritania –
MIM



Geographical Situation





General Data



Country area : 1,085,000 km²

Population : 3,000,000 inhabitants

Official language : Arabic

National languages : Arabic, Pulaar, Soninke and Wolof

Working languages : Arabic and French

Exportations : Iron Ore, Gypsum, Salt and Fishing Products



Key-Sectors of National Economy



- Agriculture and livestock (practiced by the majority of the population)
- Fishing (important export revenues)
- Mining sector with the extractive industries (for iron ore, gypsum and salt) contributing for 12 % of the GDP

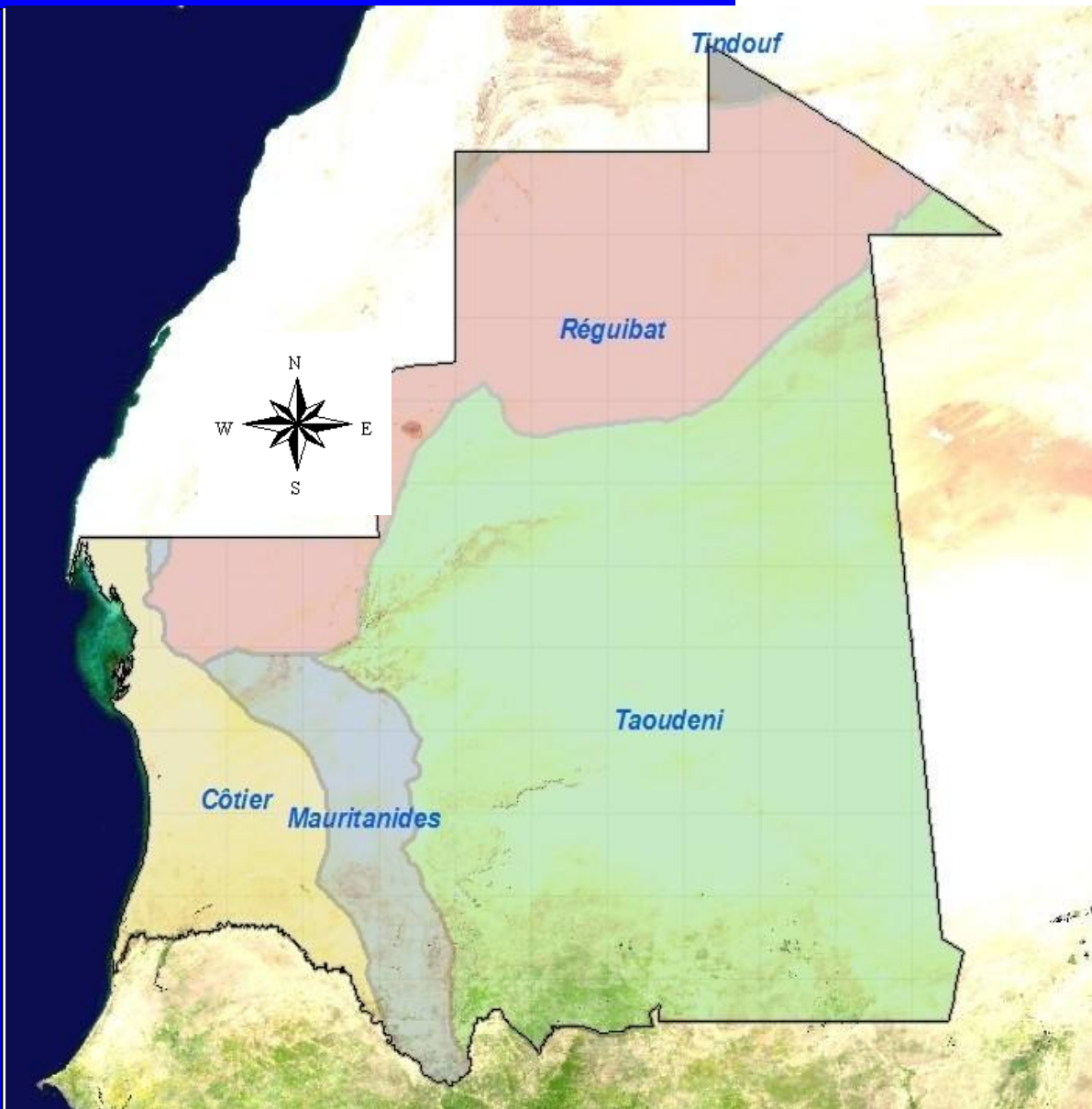


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Main Geological units





Geological Context

Mauritania comprises four (4) Main Geological Units :

The Rgueibat Shield

with Achaean and Birimian formations ;

The Mauritanides Belt

with metamorphic volcanic & sedimentary formations ;

The Coastal Basin

with Paleozoic to Cenozoic formations.

The Taoudenni Basin

with Upper Proterozoic to Paleozoic depositional systems.





NEW MINING CODE

2 STAGES : EXPLORATION and EXPLOITATION

The 1999 Mining code was reviewed in 2008 so as to take into consideration lessons learnt over the past ten years and maintain it at the same time competitive and attractive to mining investors

Exploration : Exploration tenements are granted on the basis of “first come first served” to applicants for a period of three years, renewable twice for same duration (overall 9 years for the exploration);

Mining : Provided that the owner has sufficient technical and financial capacities, granted to an exploitation company established in Mauritania for thirty years and renewable many times for a duration of ten years per period.



EXPLORATION

The holder of an exploration licence will have in particular to ensure:

- Payment of progressive surface fee year by year from 2.000 UM (first year) to 24.000 UM (9th year) instead of fee per period;
- Minimum expenditures per period with at least 15.000 UM/km² (I), 20.000 UM/km² (II) and 30.000 UM/km² (III) with minimum work requirement for renewal;
- Guaranty for good execution of the work program and prior payment of fees and rights;
- Start field work within a three month term from the date of granting.



EXPLOITATION

- The holder of the tenement that is issued based on exploration licence provided that he has sufficient technical and financial capacities;
- Tenement is granted to an exploitation company established in Mauritania, for a period of thirty (30) years and renewable many times for a duration of ten (10) years;
- Work on field must start within 24 months from the date of granting.



MINING CODE

In addition two main changes were brought in the mining law (by law n° 2009-026 of April 7, 2009) as follows:

- 1) The principle of overlapping of mining tenements is restored as far as it refers to different groups of mineral substances (likewise the 1999 Mining Law);
- 2) The State participation in the capital of any exploitation company is from now on considered to better accompany the project implementation like in most West African countries:

In this respect, there is a 10% free equity and an option for acquiring a maximum of 10% cash participation in the exploitation company.



MINING CODE

CUSTOMS REGIME :

Total exemption during the exploration period taking into account sub-phases of exploration, instalment and production either preliminary or normal

FISCAL REGIME :

Deduction regime according to practice in the mining industry

Competitive rates :

- Exemption during the first 3 years of production

- Royalties are symbolic and may be deducted

- Tax exemption on dividends that are reinvested

ACCOUNTING PROCEDURES

take into consideration present and future environmental requirements as well as the closure of a mine



MINING CODE

Mining tenements can be transferred

Stability and guaranty of fiscal and legal conditions related to mining tenements

Arbitration : member of the Washington convention dated of 18 march 1965

Flexible exchanges procedures



MODEL MINING CONVENTION

The mining code is complemented by a model mining convention to be up dated soon in compliance with the new regulations provided in the mining code;

Competitive legal and fiscal framework with attractive fiscal and customs terms;

The fiscal and customs regime stabilized and secured over the duration of the mining tenement;

Industrial quarries will benefit from the provisions of the model mining convention;

All fiscal and customs rights and taxes are gathered and presented in a unique document

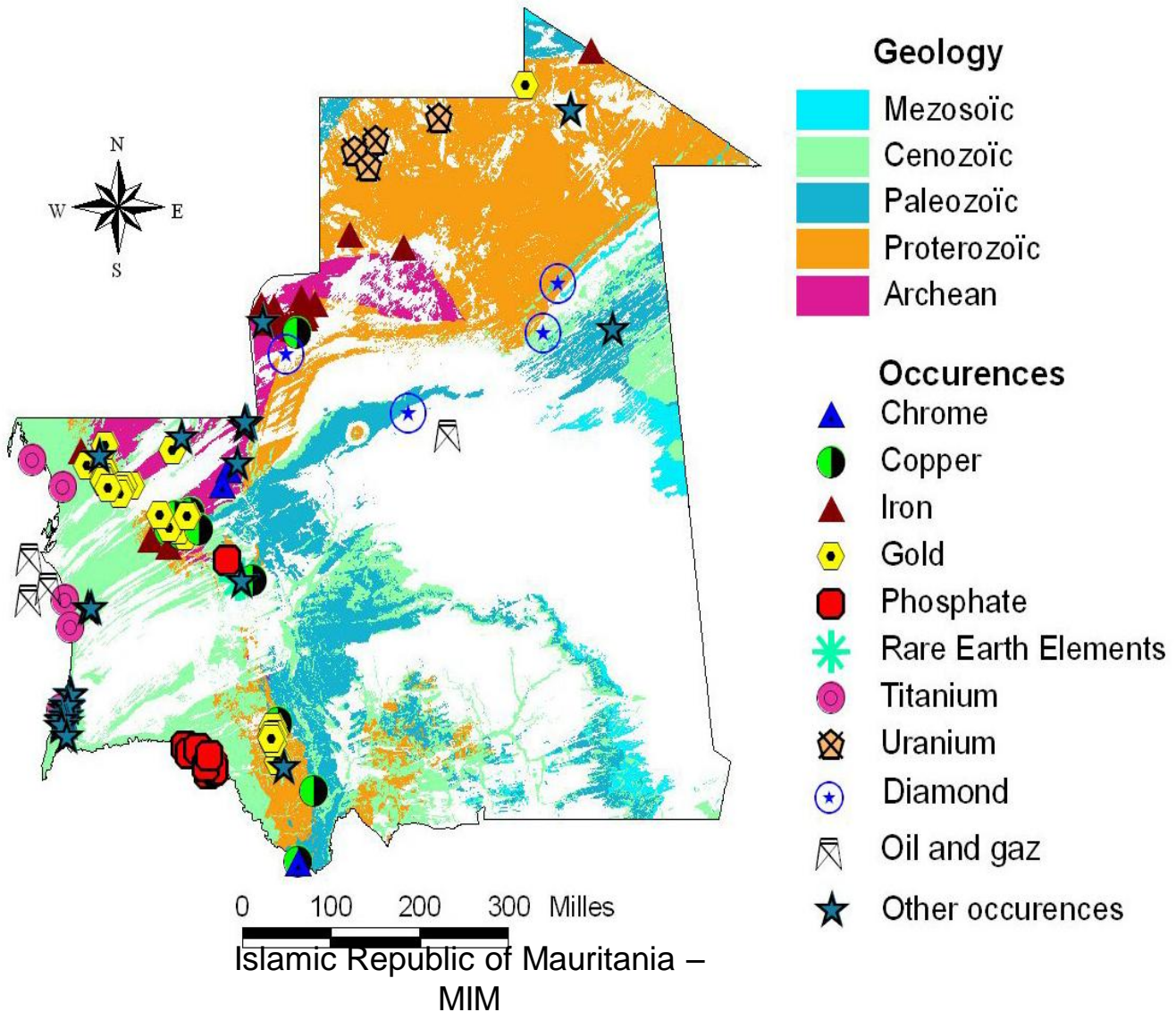


Achievements for the last years

- Adhesion in September 2005 to the Extractive Industries Transparency Initiative (EITI)
- Efforts to enhance and promote the mining sector
- Improvement of institutional and legal framework
- Establishment of new structures such as Mining Registry and Mining Inspection Directorates
- Airborne geophysical data on broad areas in the country
- Geological mapping at 1/200.000 scale for more than half of the territory
- Geological mapping at 1/500.000 scale over the whole national territory
- Opening of new mines thus diversifying the mineral production (Fe, Au, Cu and P)

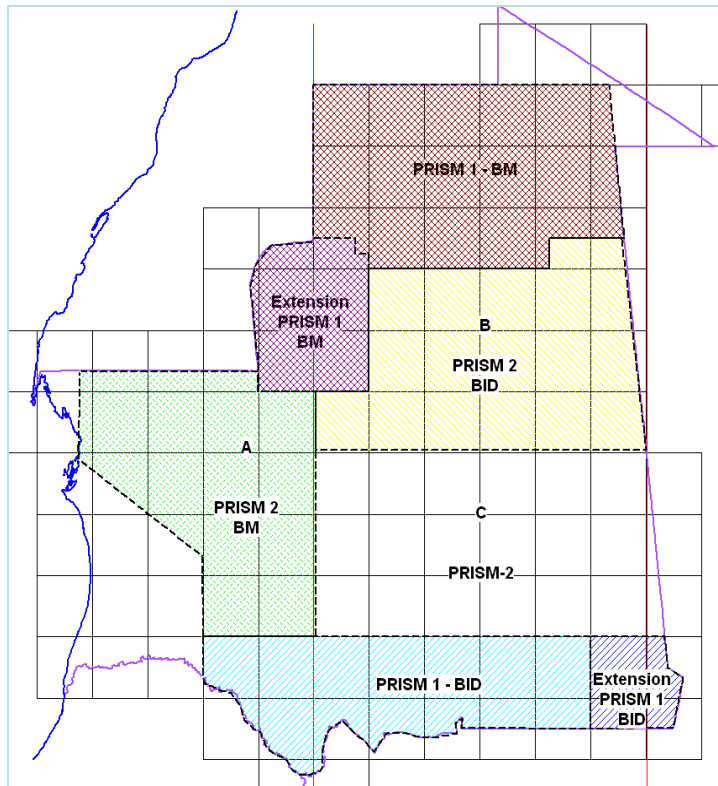


Distribution of main mineral occurrences

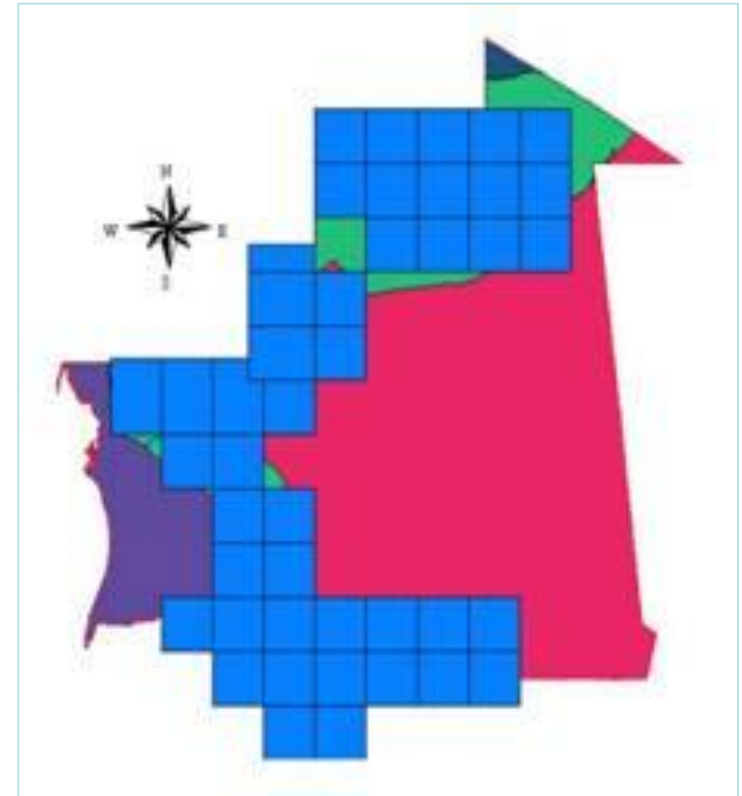




Geological Infrastructure



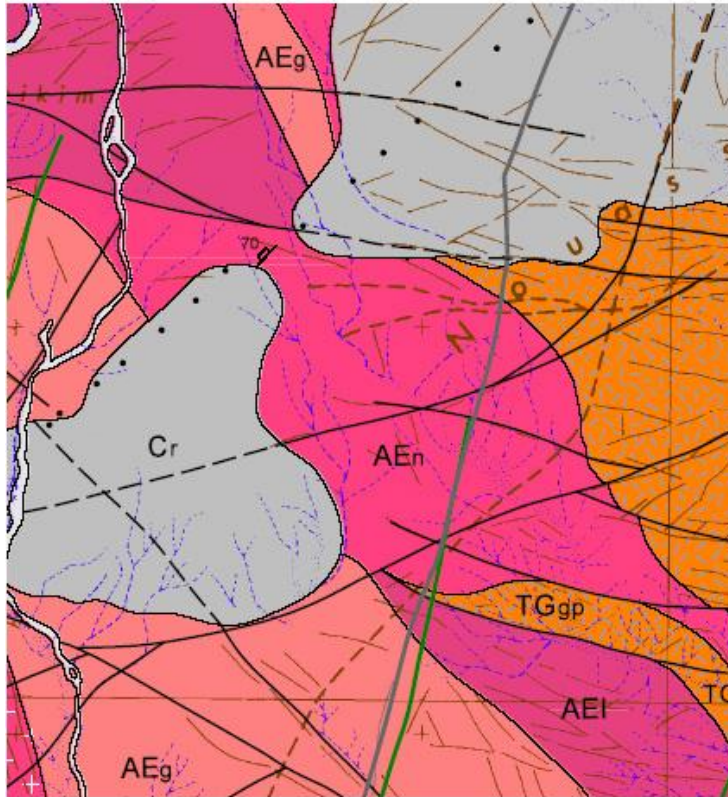
Geophysical Surveys Area



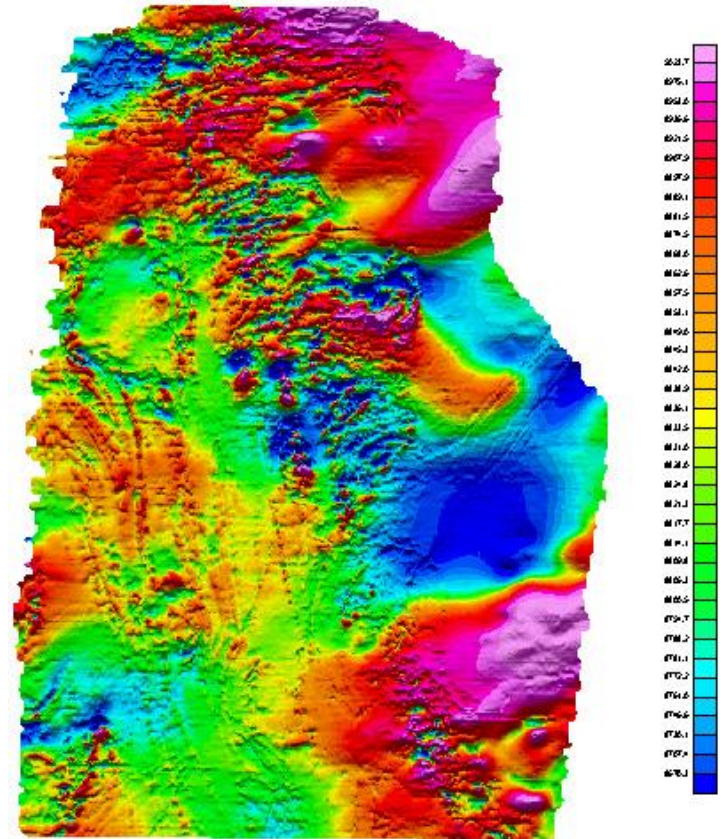
Detailed Geological Maps



Geological Infrastructure



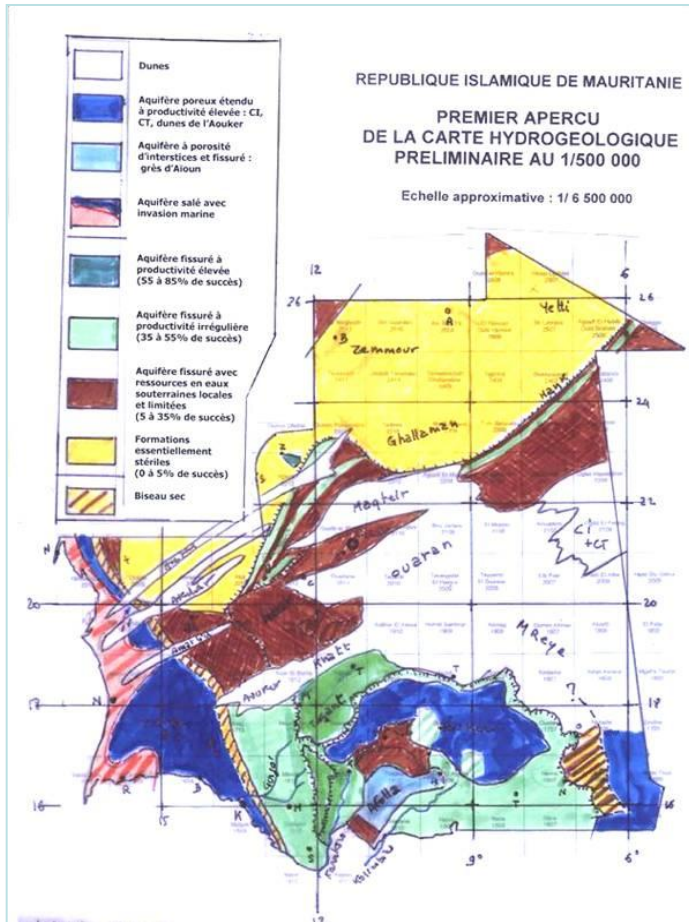
Recent Detailed Geological Mapping Data



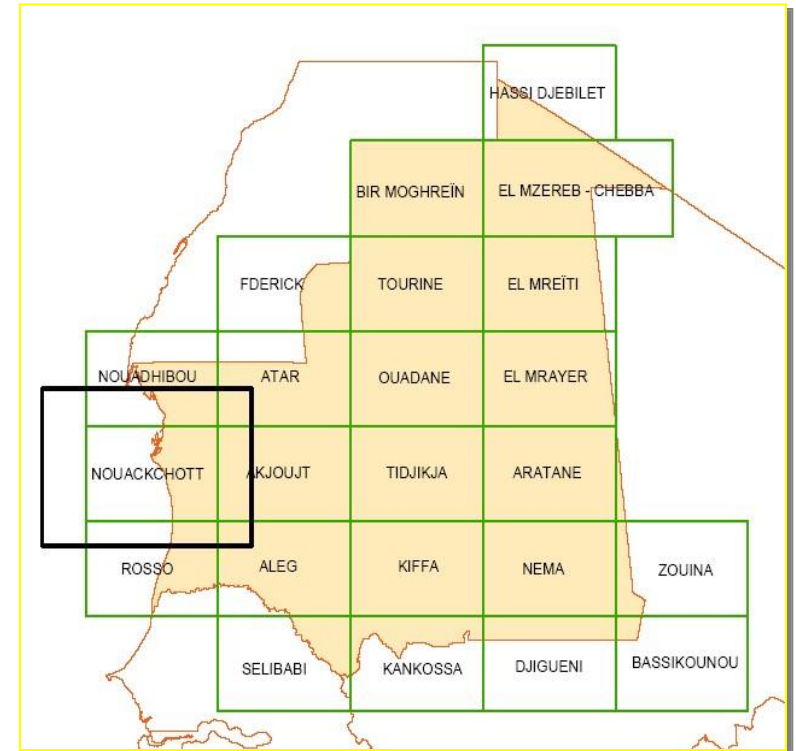
Hundreds of thousands of Km's of Airborn Geophysics surveys



Hydrogeological Infrastructure



Hydrogeologic Map Preview





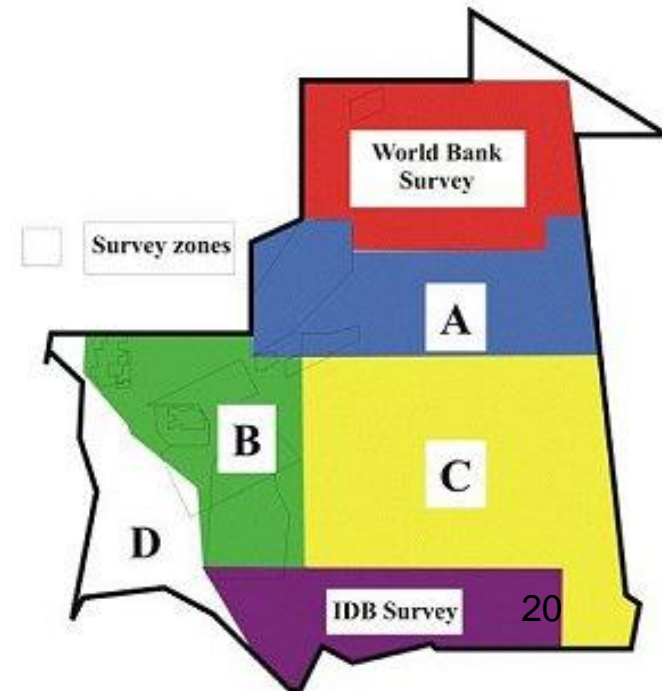
Future Prospects



Further promotional efforts for mining opportunities in the country

Continuation of the implementation of the project for institutional reinforcement of the mining sector (PRISM)

Improvement of mining and geological infrastructure such as airborne geophysical surveys and geological mapping



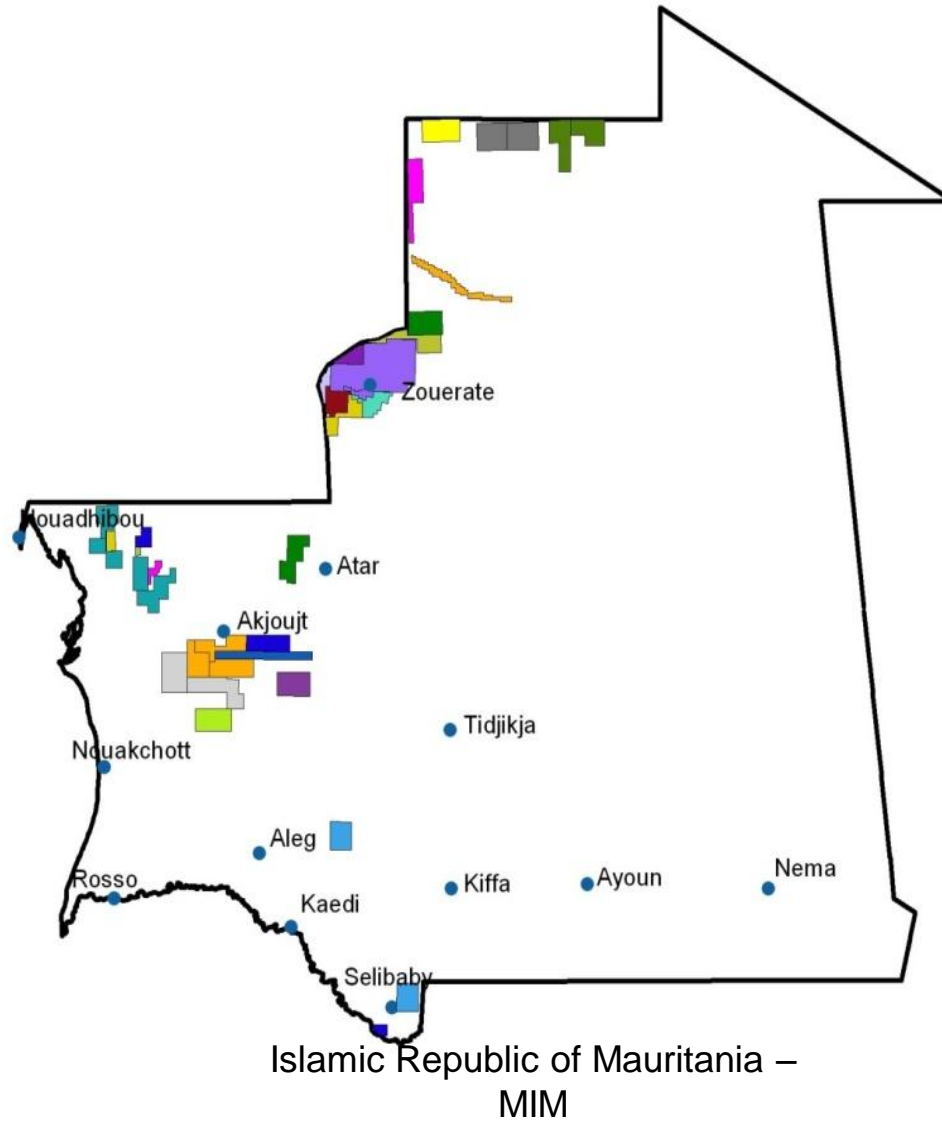


The Mining Domain

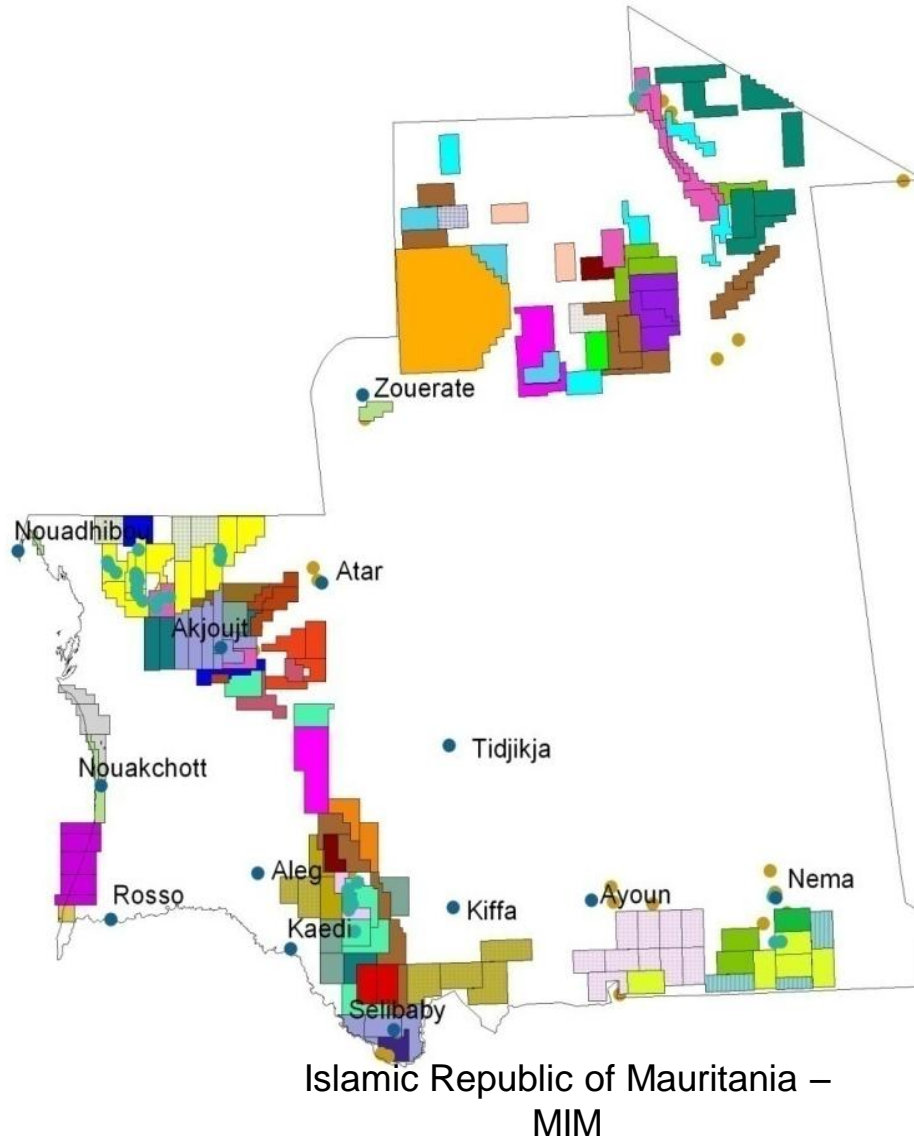
The present Mining Domain is as follows :

- ✓ **02** mining concessions (for iron ore and copper)
- ✓ **05** mining licences (for iron ore, gold, copper, salt and phosphate)
- ✓ **50** exploration licences for gold and base metals
- ✓ **23** exploration licences for diamond group
- ✓ **16** exploration licences for iron ore group
- ✓ **43** exploration licences for uranium group
- ✓ **07** exploration licences for industrial minerals group.

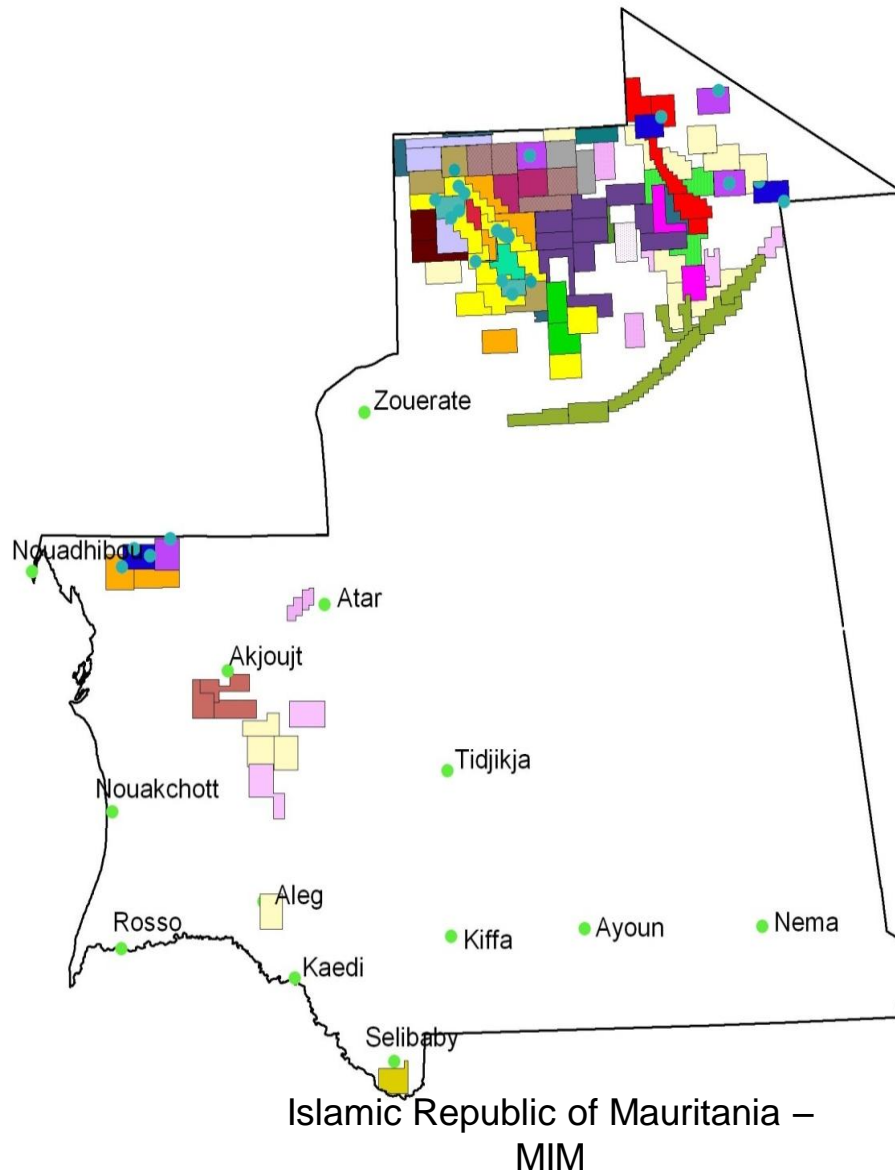
Exploration licences for group 1



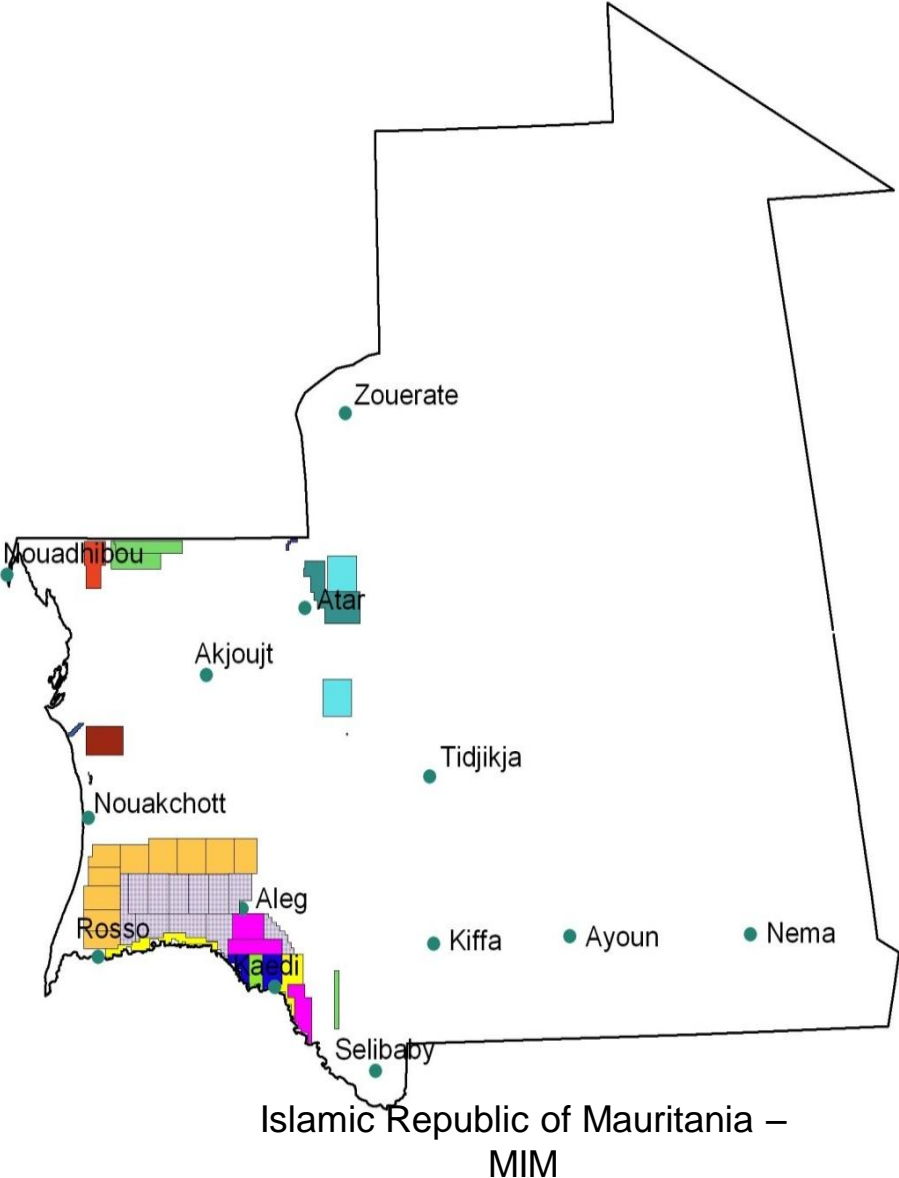
Exploration licences for group 2



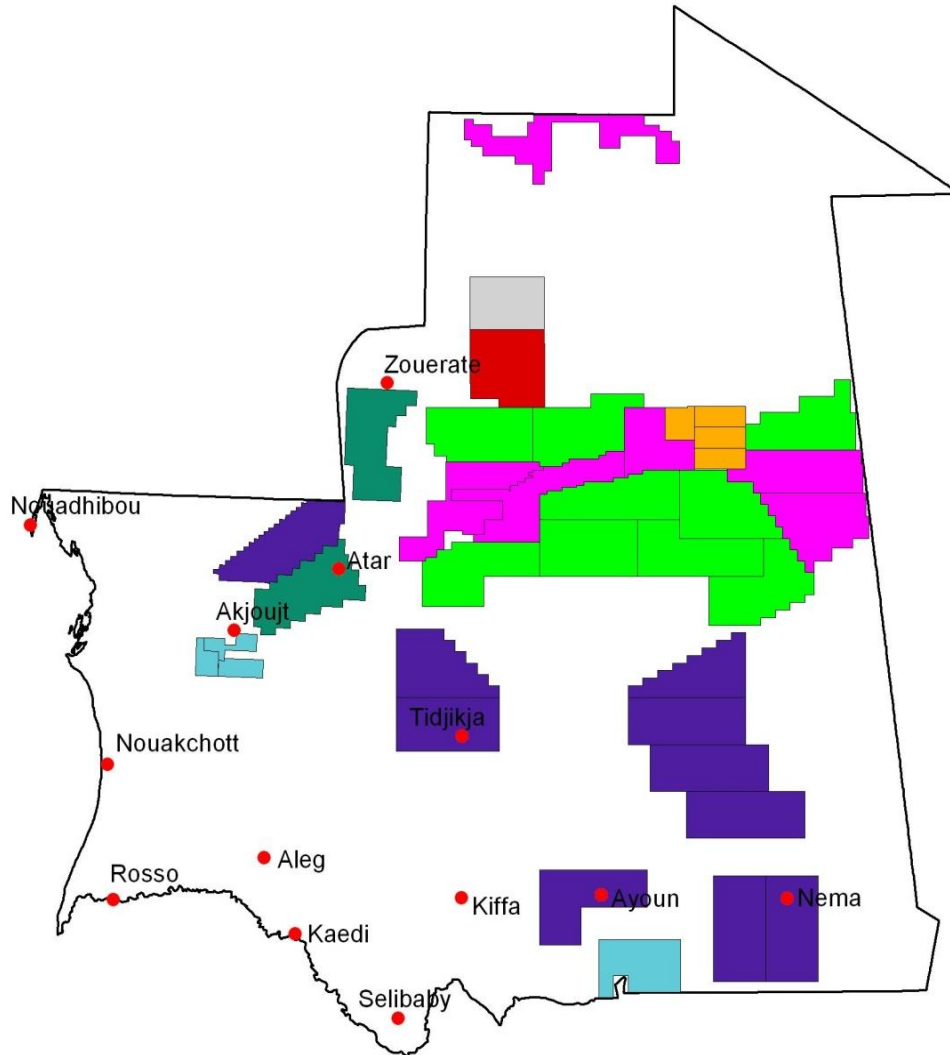
Exploration licences for group 4



Exploration licences for group 5



Exploration licences for group 7



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Organisation

The Ministry of Industry and Mining has the following three central Directorates:

- Directorate of Mining and Geology with two Data base units (M-GIS and E-GIS);
- Directorate of Mining Registry with a transparent GIS for the granting of the tenements;
- Directorate of the Mining Inspectorate to ensure close follow up of operators commitments and works in the field.



Organisation

There is also a State operator named “OMRG” in charge of promoting the level of knowledge of all the solid minerals in the country. In addition, a World Bank operated project “PRISM” is also underway is assisting in the required improvement of the infrastructure, capacity building and reinforcement of the mining sector.

All these entities work hand in hand to maximize the positive spin-offs of the mining sector on the sustainable development of the country.



Mining at a glance

- First Quantum Minerals operated Mauritanian Copper Mines SA producing 120.000 of copper and gold concentrates per year i.e 30.000 copper and 60.000 Oz of gold; in addition a new gold plant for 48.000 Oz per year was started on march 14, 2009;
- SNIM producing around 12 millions tons of iron ore per year and also working on expanding the production both internally and in partnership with international investors (Sphere, MinMetals and Arcelor Mittal);
- Red Back Mining subsidiary Tasiast Mauritania Ltd is now producing 130.000 Oz of gold and works on increasing the capacity to 275.000 ounces of gold per year;



Mining at a glance

- Phosphate project in Bofal is underdevelopment but requires a railroad to be built on 450 km; alternative transportation is being considered
- Salt in Lekcheime is still developed by artisanal mining.

Moreover, encouraging results are reported in particular for iron ore in Lebtheinya by Sphere and around Akjoujt by Bumi and TransAfrika , for Uranium around Bir En Nar by Murchisson .



Conclusion

Adhesion to the EITI since September 2005 so as to develop a communicative approach between State, Operators and Civil society

Secure individual and business environment

Presence of an important number of mining operators

Good mining opportunities and attractive legal and fiscal framework with strong investment incentives

Clear and transparent management of mining tenements

Assistance and close follow up of the professional mining operators.



For further information please visit
our website:
www.mines.gov.mr





THANK YOU
FOR YOUR ATTENTION

