



*Akara*  
*Mining Limited*

# Akara Mining

Ozmine Greater Mekong April 2011

“International Best Mining Practices & Future Challenges”



1<sup>st</sup> Millionth Ounce Bar

# Akara – Asian Gold

- Key asset - Chatree Mine, Thailand
- Producing: ~9 years, >1Moz poured
- Mine life: 12+ years with expansion
- KCN 3<sup>rd</sup> best performing ASX200 stock over last decade
- Highest dividend paying gold stock





# Operation History

Located 280km Nth of Bangkok  
Rural area; Good infrastructure

## Chatree Mine

- 1995 Discovery; 0.5Moz resource
- 1998 1Moz resource
- 2000-01 Mine Development
- Nov 2001 First Gold Pour
- 2003 Expansion 1.0- 2.0 mtpa
- 2006 Expansion 2.3 mtpa
- 2008 New mine leases granted
- Feb 2010 1<sup>st</sup> Millionth Ounce Gold
- 2010/2011 Expansion to +5.0 mtpa
- Sept Quarter 2011- Commissioning





# Mining Process

## Mining Process – Drill & Blast

- Grade control drilling – Determine grade of ore block
- Blast hole drilling – 6m holes to load bulk explosives in
- Blasting – Controlled by site personnel & contractor
- Mark out (tape) different grade ore blocks & waste





# Mining Process

## Mining Process – Load & Haul

- Separate excavator remove different grade ore or waste
- Ore & Waste loaded into different marked trucks
- Ore trucked to ROM pad at plant; lowest grade is stockpiled
- Waste is trucked to waste pad (2-4 times waste per tonne of ore)





# Processing Plant

Blend ore on ROM pad & feed by loader into primary crusher

- Stockpile feeds mills by conveyor
- SAG mill (rocks) & Ball mill (rocks & steel balls) grind rock to powder, then mixed with water & fed into tanks
- 12 CIL tanks mix weak cyanide with rock powder & extract gold
- Activated carbon in tanks attracts gold from cyanide
- Gold washed off carbon, into an EW circuit, then heated to high temp & gold-silver dore is poured
- Cyanide & water recycled; remaining cyanide destroyed
- Tailings (ground rock) into TSF

**Primary Crusher**



**SAG & Ball Mills**



**CIL Tanks**



**Tailings -TSF**



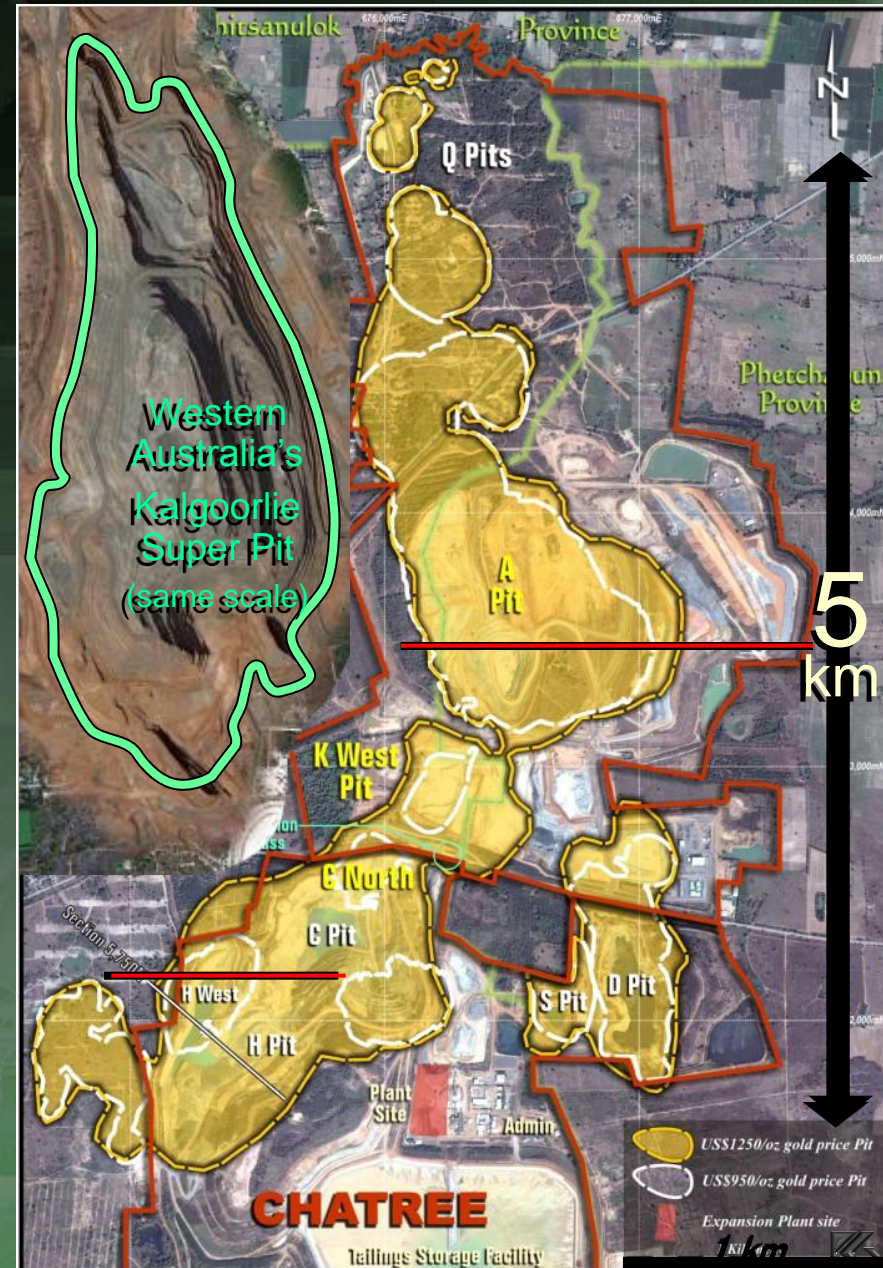
# Growing World Class Deposit

World Class Gold Deposits  
are +5 Moz

Chatree ~6Moz  
to date & growing  
including mined to date

1.9 Moz Reserve  
4.3 Moz Resource\*

(\* As At 30 June 2010)





# Organic Growth - Chatree

## Expanding Pits With Increasing Gold Prices

Chatree Total  
Reserves: 1.9 Moz  
Resources: 4.3 Moz

'A' Pit - Chatree North  
Larger Pit potential  
at current gold prices

Q Pit  
(sth)

A Pit

### Chatree Grade/Tonnage Variance Versus Gold Price\*

Gold Price (US\$)	Gold Grade (g/t)	Tonnes (Millions)	Contained Gold (Moz)
1050	0.98	71	2.2
1150	0.96	78	2.4
1250	0.85	100	2.7

\* Whittle Four-X modelling only  
at different pit optimisation scenarios



# Organic Growth – Thailand

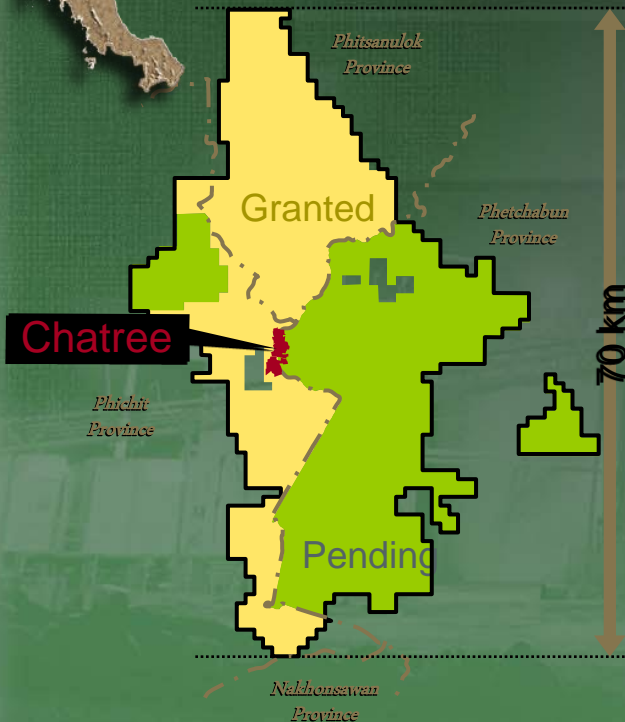


Chatree

Thailand

Bangkok

Thai Gold Belt



Phitsanulok  
Province

Granted

Phetchabun  
Province

Chatree

Phichit  
Province

Pending

Nakhonsawan  
Province

70 km

## Regional Exploration

- World class gold province
- First mover advantage
- 1300km<sup>2</sup> tenement package
- Near mine satellite deposits
  - <10km trucking distance to Chatree plant
- Regional stand alone potential

Patience & persistence drives success





# 1<sup>st</sup> Millionth oz - Feb 2010

9 years operating  
Average Cash Costs:  
US\$245/oz to June  
2010

## Chatree Mine History

1993-95	Discovery
2000-01	Construct 1Mtpa Plant
2001	First gold pour (Nov '01)
2006	Expansion 2Mtpa Plant
2008	New Mining Leases
2010	1 <sup>st</sup> millionth ounce





# Expansion: Double Capacity

Plant processing capacity increase from 2.3 to >5 Mtpa  
Commissioning Expected Sept Quarter 2011  
Increase production rate up to 200,000 ounces per year

Plant Expansion  
+ 2.7 Mtpa



Current Plant  
2.3 Mtpa

Expanded Total  
+5 Mtpa

Expansion Plant Area  
beside current plant





# Expansion on Time and Budget





# Corporate Social Responsibility

- “World’s Safest Gold Mine”
  - 16.9 million man-hours & 8 years – No LTI’s
- Zero Environmental Incidents
- ISO Standards on all activities
- Only mining company granted Social Accountability SA8000
- Training focus – 99% Thai
  - 35% women in management
  - 32 Masters grads - supported
- High quality, stable workforce
- Created local support industry



Thailand  
National  
Occupational  
Safety & Health  
Award 2010



Zero Accident  
Award  
2010



Prime Minister's  
Award 2010





# Sustainability & Rehabilitation





# Award Winning Operation

- ❖ Thai PM Award- Labour Relations
- ❖ Health Safety Environ Award (2006,2008,2009 & 2010)
- ❖ Gold Zero Accident Award (2007,2008,2009 & 2010)
- ❖ AustCham Business of Year (2006 & 2009)
- ❖ Thai Working Woman of Year ( 2008)
- ❖ Cyanide Code Accreditation Jan.2008 & Recertification March 2011
- ❖ Community projects
  - ❖ Improved schools, water, training
- ❖ New local support industries
  - ❖ 95% warehouse items from Thailand





# Thai Competitive Advantage

- Established Infrastructure
  - Grid Power
  - Sealed roads
- Lower cost support
  - Skilled manufacturing
  - “Buy Thai” sources supplies
  - Labour – skilled & available
- Robust deposit
  - Simple mining & metallurgy
- Safe Mine = Efficient Mine
  - Safest gold mine globally

- Cost Comparisons – Thailand vs Australia

Open Pit Mining (US\$):

Waste: \$1.70/t vs \$2.50/t

Ore: \$3.40/t vs \$4.00/t

Power: 8c/Kwh vs 20c/Kwh

Assays: \$3/sample vs \$20/smp





# Benefits to Thailand



- ❖ Royalties – 60% local provinces & tambols & 40% Central Gov't
- ❖ Employment – 1000 direct jobs; 2500 indirect
- ❖ Payroll taxes & Foreign Currency reserves
- ❖ Direct community expenditure Bht 1.5 Bn
- ❖ Local development projects
- ❖ New industry in rural Thailand
  - Developing new skill sets & exporting skills & services regionally

**Unwavering commitment to partnership  
despite delays & political changes**





# Delivering Shareholder Value

- Record profit from high margins
- Record dividend paid
- Strong operating performance
- Chatree expansion on time & budget
- Reserve growth
- Exploration success
- Growth opportunities





# Thailand's Premier Gold Miner



Low Cost Gold Production



Expanding Production



Increasing Reserves



Increasing Earnings



Proven Value Creator



# Future Challenges

- **Government support for Mining Industry**
- **Education of the public on “Benefits of Mining”**





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