

Lubambe  
Copper Mine  
Limited



## Quick facts

February 2013

Lubambe mine is a modern, world class facility with fully mechanised underground operations.

The mine was completed two months ahead of schedule and delivered the first copper concentrate in October 2012.

The mine will produce 45 000 tonnes of contained copper by 2015 at steady state.

The mine will employ 1 500 people.

Total capital is expected to be USD456 million.

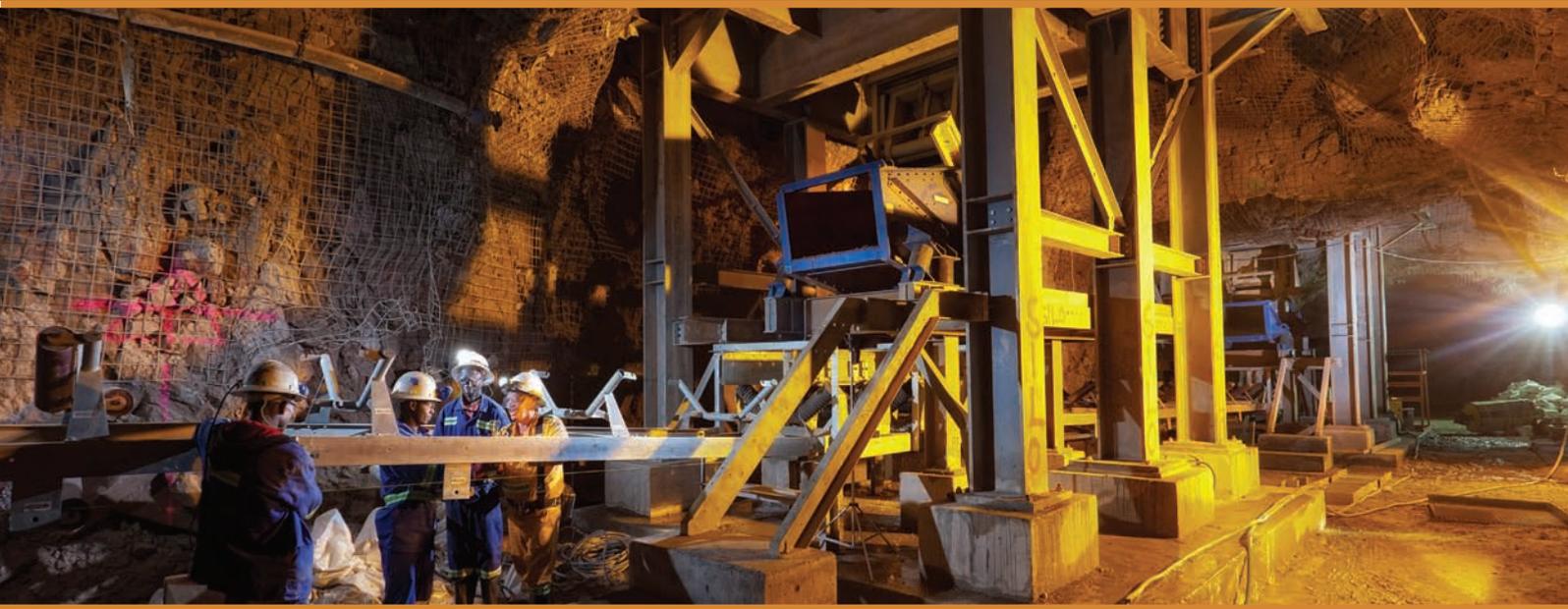
Safety is a priority at Lubambe and the 1 000 000 fatality free shifts milestone was reached in September 2012.

A training centre is an important component of the construction phase of the mine and was commissioned and fully utilised prior to the commencement of full-scale mining.

Lubambe Copper Mine was previously known as Konkola North. In July 2012, it was renamed Lubambe - a Bemba word for 'eagle'. Eagles nest within the mine property and can often be seen flying overhead.



Joint Venture



### Origins

The Lubambe Copper Mine was set up under a fifty-fifty joint venture agreement between African Rainbow Minerals (ARM) and Vale SA. The joint venture has an 80% share, while 20% is held by the state-owned ZCCM Investment Holdings plc.

### Location

Lubambe Copper Mine is an underground mining operation situated on the Zambian Copperbelt close to the town of Chillabombwe. The mine will initially have a production capacity, expected to be achieved by the end of 2015, of 45 000 metric tonnes of copper in concentrate per annum, with potential to increase this in the future, should extension opportunities prove to be viable.

The greater Lubambe mining licence area includes the extensions of the copper mineralisation from the current south and east Limb of the current mine to the Konkola basin in the south as well as the area to the east, covering the Kawiri and Kawiri North basins.

### Present status

Construction of the concentrator plant was completed in September 2012, two months ahead of schedule. The commissioning was completed in October 2012 with initial concentrate production in the same month. The total cost of the project is USD456 million. Up to 1 500 full-time employees will be employed at full production, which is forecast in the second half of 2015.

### Production

The mine's throughput design from both the south and east Limb ore bodies is 2.5 million tonnes of ore, at an average mill head grade of 2.3% copper, which will result in the production of 45 000 tonnes of contained copper in concentrate per annum. Life of mine is estimated at 28 years.

Longitudinal room and pillar (LRP) stoping commenced in August 2012, and the mine is on track to ramp up to full production by the second half of 2015.

Copper concentrate produced by Lubambe will be sold for smelting and refining within Zambia. All the copper concentrate sale agreements have been agreed and signed and the first concentrate was sold in October 2012.

### Safety, health and environmental management and CSR

Lubambe has initiated programmes to entrench safety, environmental responsibility and community interaction from the outset. A campaign to drive these programmes was initiated early in 2011. This campaign is known as 'Target Zero... pantu tulasakamana' (pantu tulasakamana being a Bemba phrase meaning 'because we care'). Its aims to include the entrenchment of safety and health as a culture, within the workforce and the surrounding communities.

The mine's environmental management programme includes monitoring of dust, noise, diesel emissions, water quality, vibration and illumination. Audits are conducted to establish performance against the requirements of the environmental management programme's targets.

The mine's corporate social responsibility programme includes a resettlement and a Millennium Village Project. Under the resettlement, the company has undertaken to re-settle 205 households from an area to be affected by mining to a new area within the existing Konkola Village.

### Lubambe extension area

The extension of the Lubambe Copper Mine includes the expansion of operations into an area six kilometres south of the current mine, within the allocated Large-scale Mining Licence area, along the Konkola basin. The Joint Venture has previously completed a pre-feasibility study on a resource of 80 million tonnes, which would boost total production output to 100 000 tonnes of copper in concentrate per annum. Initial drill results indicate an average ore-body width of approximately 11 metres at 2.81% total copper and an average depth of 1 100 metres below surface.

A feasibility study into the viability of the extension is forecast to be completed by the first half of 2014.