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PRESENTATION SHEET ER3.202.06
Concerning the Investment Project:
“Introducing into mining of the Cacova Ierii iron ore deposit from Cluj County” at
National Company of Copper, Gold and Iron ”MINVEST”S.A. Deva – “Iaramin” Subsidiary

1. Background:

1.1. Business activities:

- mining and processing of copper, gold-silver, polymetallic, iron ores, and non-metalliferous minerals
- administration and protection of ore deposits located within areas ascertained for management and beneficiation
- sale of metal concentrates resulted from mining and processing activities
- carrying out of the preparation and opening mining works for mines and open pits, as well as the stripping works in open pits
- carrying out of geological investigations for the extension of the present mining areas and in the neighboring areas in order to improve the knowledge of the deposits and to promote new reserves
- maintenance and repair works for the equipment required by the specific activity
- mining construction and mounting operations in underground, open pits and processing plants
- import-export operations
- international economic cooperation
- protection and environment rehabilitation activities
- designing, etc

1.2. Commercial association with other companies or Joint venture:

The Company is entered into a partnership with foreign partners within two jointventures for the putting into mining of certain gold and silver ore deposits.

1.3. Ownership:

Entirely state owned company

1.4. Established:

In 1968: Deva Department for Ores

In 1990, the name became: Autonomous Authority for Copper Deva

In 1998 the name became: National Company of Copper, Gold and Iron ”MINVEST”S.A. Deva, which includes the “Iaramin” S.A. Subsidiary, through reorganization of the former Autonomous Authority of Copper Deva.

1.5 Location:

National Company of Copper, Gold and Iron ”MINVEST”S.A. Deva has the headquarters in Deva, 9 Piața Unirii St., and operates in 4 counties of Romania (Alba, Cluj, Harghita and Hunedoara), within monoindustrial areas.

The mining activity is developed in underground or in open pits, the ore being processed in dressing plants. After the processing activity, gold, copper, lead, zinc, complex and iron concentrates, quartziferous sands, limestone are obtained. These concentrates and substances are the final products and raw materials for metallurgy and siderurgy.

Cacova Ierii ore deposit is administrated by “Iaramin” S.A. Subsidiary and is located in Iara commune at about 45km S-W from Cluj municipal town, Cluj County.

The access to the deposit is made by county road from Cluj-Săvădisla-Iara (on DJ 107M) or by national road from Turda-Buru-Iara (on DN 75). From the Iara commune, you can reach to the “Iaramin” S.A. Subsidiary on the communal road DC 102A.

2. Basic economic elements:

2.1. Social capital (mld.lei): 345.673 billion ROL – at 31.12.2004

2.2. Turnover (mil.€): 2021.153 billion ROL/ 49.86 million EUR

2.3. Production capacities and their load: the existing production capacity is of 210000 t/y iron ore and the estimated production capacity is of 415000 t/y, the utilization degree being of about 50%.

2.4. Number of employees: 4621 employees at 31.12.2004 at MINVEST S.A. Deva
374 employees at 31.12.2004 at "Iaramin" S.A. Subsidiary

3. Market:

The mining products are entirely sold on the home market.

4. Raw materials supply:

Raw material base

Degree of reserve providing:

Copper ores – 30 years

Gold-silver ores – 17 years

Polymetallic ores – 30 years

Iron ores – 53 years

Non-metalliferous minerals – 74 years

Materials needed for specific activities: are mainly bought from the home market, from import being bought only reagents for processing plants.

5. Recognition by the international financial organizations:

The National Company of Copper, Gold and Iron "MINVEST" S.A. Deva is not evaluated by any financial international organization.

6. Project objective:

6.1. Project overview:

The Cacova Ierii deposit has a reserve of 16.6 million t/y iron ore, which can guarantee the activity for about 40 years.

The purpose of the project is to decide and evaluate the investment works necessary for introducing into mining in optimum technical and economic conditions of new reserves at Cacova Ierii, which will gradually replace those ones from Mașca – Băișoara ore deposit that are now mined and the production capacity development from 180000 t/y to 415000 t/y, as well as the subsidy elimination.

For this purpose, technical and technological solutions were proposed for retechnologization and modernization of production activities.

The investment works have as target the followings:

- parallel with the exhaustion of the reserves from Mașca – Băișoara ore deposit, the preparing and introducing into operation of the Cacova – Ierii ore deposit
- gradually, together with the accomplishment of the preparation works, increase of the annual production capacity at Cacova Ierii. When the project was initiated, the annual production was of 180000 t/y, and when it will be finalized the production capacity will be of 415000t/y
- improving of the technological flow at the processing plant
- modernizing of the mining technology by using the sublevel caving mining method with high depth of sublevel, using high productivity technological equipments i.e. electrohydraulic drilling rigs and self-moving loaders

6.2. Elaborated studies for project support:

- Feasibility Study "Introducing into mining of the Cacova Ierii iron ore deposit from Cluj County" – elaborated by S.C. ICPM S.A. Baia Mare, on September 1997
- Prior Project elaborated by MINVEST S.A. Deva on July 2004

6.3. Estimated duration for project implementation:

Scheduled time for project starting: first semester of 2005

Estimated time for project implementation: 2 years

6.4. Romanian participation: designing, utilities, partial finance

6.5. Foreign participation: finance, equipments, technical assistance, being also accepted the establishment of jointventure.

7. Estimated project value (mil.\$)

7.1. Total, 4.859 million EUR

out of which:

- Own sources: 0.075 million EUR
- external sources: 4.296 million EUR
- other sources of finance (budget allowances): 0.488 million EUR

8. Production and distribution after project fulfillment:

The Cacova Ierii ore deposit, one of the largest ore deposit in our country, has a reserve of 16.6 million t/y iron ore, which can guarantee the activity for another 40 years, at a planned production capacity of 415000 t/y, the resulted products being valorized at societies from Roumanian industry.

Resulted product sale on home market: 100%

- estimation of the home market development in tones/year: the project implementation leads to the increase of the present production capacity by 235 thousand t/y (about 47.2%), respectively from 180000 t/y to 415000 t/y

9. Environment protection:

The project imposes the execution of fitting works for environment protection and rehabilitation after the project fulfillment, i.e. used water purification station as well as the lara tailings pond consolidation.

10. Conclusions regarding project implementation efficiency:

10.1. Economic effects:

The project implementation ensures the profitableness of the unit through the increase of the labour productivity and decrease of the mining costs.

10.2. Credit returns period and sources: about 5 – 6 years.

10.3. Investment recovery: about 5 years

10.4. Other efficiency improvements: ensures the continuity of the specialized labour force employment from area.

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