

CRATON CAPITAL

considered, consistent, value-driven



INVESTING IN AFRICAN RESOURCES: EXPLORING THE LAST FRONTIER

Advisor to the BAC Africa Natural Resources Fund

March/April 2008

Craton Capital Company Profile

- Established in 2003
- A fund management firm with its main office in Johannesburg, South Africa
- The team specialises in global resources sector investment products
- Current flagship product: Global Precious Metal Fund
- Fundamental research approach – value driven, bottom up
- International client base
- AuM of approx. US\$ 340 million
- Ratings: Sauren, Forsyth, Citywire, Feri, Euro am Sonntag
- Craton Capital is completely independent and wholly owned by its partners

Craton Capital's Competitive Edge

The Investment Team

Markus Bachmann, Douglas Orsmond, Gina Neoh, Mauricio Radovan, Andrew Nesbitt

Skills in the resources sector

A team of specialists with years of experience and a proven track record at an operational (having worked in mines), managerial, consulting and investment level (successful careers as rated analysts and fund manager focused on resources).

Rigorous bottom up approach

A potential investment opportunity is only considered once a thorough due diligence has been conducted. This entails financial modelling, geological & political risk assessment, various management interviews followed by a site visit if considered necessary. Our research process is disciplined and consistent.

Track record of successfully managing money

The Craton team has a highly successful track record in producing consistent and superior returns for investors.

Operational best international practice

Experienced operational team. Craton Capital has successfully implemented best practice with redundant segregated systems and using world class services providers to ensure operational integrity.

The courage and conviction to invest out of the mainstream in under-researched companies

considered, consistent, value-driven

Competitive Edge on Investing in Africa

- Based in AFRICA
- In close proximity to AFRICA's mining hub
- In depth knowledge of the CONTINENT
- In depth knowledge of resources investments in AFRICA
- Investment team travels AFRICA, knows and understands the companies
- 11 year track record of investing in AFRICA

Craton Capital - accumulated over 80 years of industry and investment experience

considered, consistent, value-driven

Fundamental Research Process

- Our independent research has a strong value bias quantifying measures such as:
 - Asset quality
 - Risk domicile
 - Research coverage
 - Management quality
 - Cost structure
 - Discount / premium to fair value
 - Internal Rates of Return (IRR)
 - Relative NAV growth
 - Strategic industry positioning



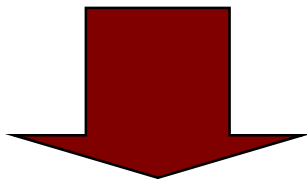
considered, consistent, value-driven

Fundamental Research Process

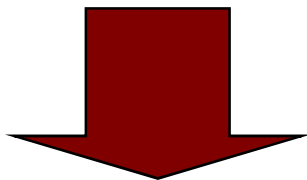


Detailed bottom-up technical and financial models are constructed :

- **Macro- economic assumptions**
 - metal price forecasts
 - foreign exchange rate forecasts
- **Operation by operation modeling, for each company**
 - detailed and thorough modeling using due diligence results
 - consistent modeling across companies and sectors

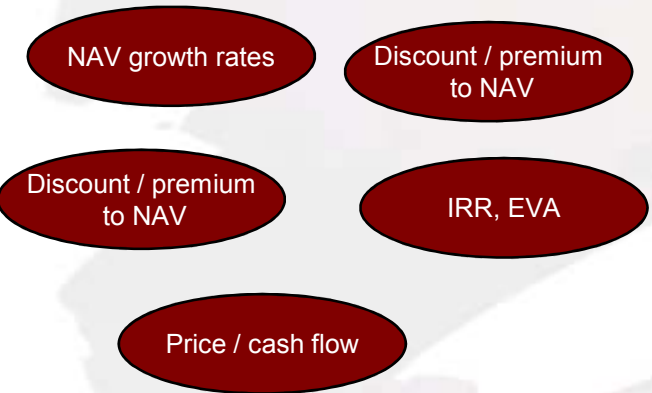


Generating a comparable set of financial and technical metrics



Multifactor ranking of all companies within the universe or subsectors

considered, consistent, value-driven



Investment Case Study - Mineral Deposits

Near term gold production, and large scale mineral deposits in Senegal

- **Company description:**
 - Assets: Gold development project (Senegal) & Mineral Sands project (Senegal)
 - Listing: Australia Stock Exchange, US\$400m market cap
- **What we like:**
 - Share price well below our bottom up valuation
 - Mineral sands project: Long life (40-50yr), strategic location, strong cash flow potential, potential interest of major player
 - Gold project: good resource expansion potential on lease area, also owns nearby geologically prospective properties, relatively simple mine and processing, production due by late 2008
- **Investment risks:**
 - Construction and commissioning of gold plant (c50% complete)
 - Mineral sands project – large scale, financing and construction risks
 - Senegal – medium level political risk, although permitting now approved
- **Catalysts for share price movement**
 - Commissioning of gold plant
 - Resource expansion at gold project
 - Mineral sands project scoping study or announcement of partner



considered, consistent, value-driven

Investment Case Study

- Anvil Mining

Producing copper company; large scale copper deposits in the DRC

- **Company description:**
 - Assets: 3 high grade, producing copper projects
 - Listing: Toronto Stock Exchange, US\$875m market cap
- **What we like:**
 - Share price well below our bottom up valuation
 - Strong production & cash flow growth potential as SX/EW plants are commissioned
 - Potential interest of major player (Antofagasta), leverage to copper price
 - Copper project: very high grade, good project economics & resource expansion potential
- **Investment risks:**
 - Operational - construction and commissioning of SX/EW plants (tgt 2009/10), underground development
 - Cost inflation – significant capex to be spent in next few years
 - DRC – final clarity on the required changes from the DRC review is imminent
 - Logistics – poor infrastructure & access to mine, power supply could be unreliable, annual rainy season may delay production
- **Catalysts for share price movement**
 - Final results of the DRC review should lift uncertainty surrounding all DRC projects
 - Penalties arising from the DRC review could be better than expected
 - Resource expansion at Kinsevere & Mutoshi
 - Successful commissioning of SX/EW plants



Contact Details

Craton Capital

Suite C201 2nd Floor

33 Fricker Road

Illovo

Johannesburg, South Africa

Email : info@cratoncapital.com

Web : www.cratoncapital.com

Markus Bachmann

Tel: +27 11 771 6261

Mobile: +27 83 443 0703

Email: markus.bachmann@cratoncapital.com

UK

Doug Elish

Tel: +44 1732 743 121

Mobile: +44 790 068 0000

Email: doug.ellish@cratoncapital.com

Germany and Austria

Jutta Funck

Tel: +49 6103 72514

Email: funck@ffconsult.de

Disclaimer

This document has been prepared by Craton Capital (Pty) Ltd., which is regulated by the South African Financial Services Board. This document is provided to you for information purposes only and should not be used or considered as an offer or a solicitation to sell or buy the securities mentioned in it. This document is not directed at you if we are prohibited by any law of any jurisdiction from making the information in this document available to you and it is not intended for any use which would be contrary to local law or regulation. Any decision by an investor to buy shares, units or interests in funds managed or advised by Craton Capital Pty Ltd. should be made only on the basis of the terms contained in the relevant fund's prospectus. Shares, units or interests in funds managed or advised by Craton Capital Pty Ltd. are not available for sale in any jurisdiction in which sale would be prohibited. The information in this document has been prepared from sources believed to be reliable but we do not represent it as accurate or complete. Performance data is not based on audited financial data of the fund. Total return will fluctuate with market conditions and changes in currency exchange rates. Past performance may not necessarily be repeated and is no guarantee or projection of future results. Opinions expressed herein may not necessarily be shared by all employees of Craton Capital Pty Ltd. This information does not constitute tax advice. Investors should consult their own tax advisor or attorney with regards to their tax situation.