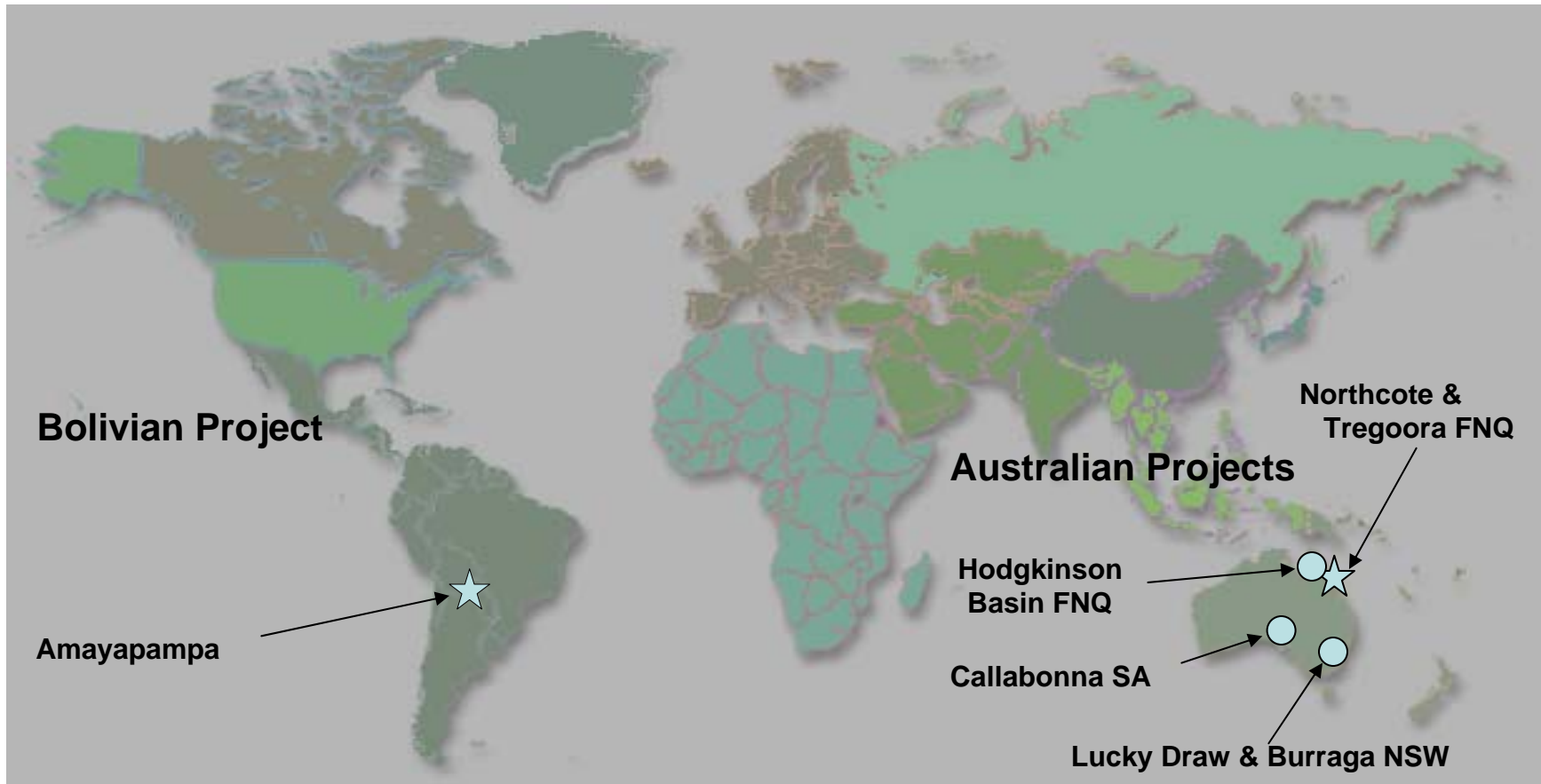




# **BRR Latin America eConference**

**RGL**

# RAU Project Overview



- ★ Development Project
- Exploration Project

**Project pipeline representing  
geopolitical diversification &  
project potential**



# Bolivian Statistics

- Democratic republic since 1982.
- Land mass is 1.1m sq kms (Aust 7.7m sq kms).
- Population – 9.0m (Aust 20.3m).
- GDP – US\$26b (Aust US\$640b).
- GDP per capita – US\$2,900, 146th in the world (Aust US\$31,900 & 14th).
- Bolivia runs a relatively small budget surplus and a current account surplus.
- Major exports are gas, soybeans, petroleum & minerals (zinc, tin & gold).





# **RAU In Bolivia**

- **RAU has spent nearly 3 years developing a feel for Bolivia & developing confidence in the country & it's projects.**
- **RAU has a close working relationship with the Minister & Vice Minister of Mines of the Government.**
- **The Government has made international assurances on security of private property, mineral tenure & the need for inward investment.**
- **The Government is looking to better the lives of native Indians in rural areas & creating long term employment in rural regions.**
- **The local community at Amayapampa is keen to develop the mine.**
- **Bolivia has a well developed regulatory framework & strong mining culture.**
- **Recent political tensions have eased.**



# **Bolivia's Exciting Mineral Potential**

- **Economic geology setting. Bolivia has 2 halves. The western half is the Bolivian Altiplano and comprises Orogenic sediments and granites. This belt runs into Argentina, Peru and Chile. The eastern half consists of a large greenstone belt (the Bolivian Precambrian Shield) that runs into Brazil.**
- **Large parts of the economically interesting areas of Bolivia have been studied by a number of the Geological Surveys of the world over the past 30 years.**
- **Bolivia's Geological Survey agency is Sergiotechmin. It provides an excellent service, with most data available electronically & much of it in English.**
- **Bolivia has the world's largest historic silver and tin deposits and is also highly prospective for gold, antimony, tungsten, copper, zinc, lead, iron ore, nickel, uranium, manganese, rare earths, lithium, sulphur, phosphate, molybdenum, zircon, cobalt, chromium, bismuth & salt.**
- **The new Government is modernising Bolivia's Mining Code to reflect concession conditions similar to Australia to stimulate exploration & mining.**



# Major Project Locations in Bolivia



# **Major Mining Investments in Bolivia**

- **Mining investment in Bolivia is currently at an all time high. Despite some commentators perceptions of an hostile investment climate three major mining projects are being undertaken: -**
  - **Apex Silver (AMEX - SIL) is well into production at the new US\$750 million San Cristobal silver/lead/zinc mine in southern Bolivia.**
  - **Coeur d'Alene Mines (NYSE:CDE / TSX:CDM) has just completed construction of its US\$135 million San Bartolome silver mine in the world famous Potosi silver region.**
  - **Jindal Steel & Power Corporation from India won a Government tender for the massive El Mutun iron ore project in the eastern department of Santa Cruz. An integrated iron ore and steel development is to be constructed over the next 10 years estimated to cost US\$2.3 billion.**
- **A number of Western companies are exploring & developing projects similar to RAU's Amayapampa Project.**



# **RAU's People in Bolivia**

- **Juan Cabrera, a pre-eminent Bolivian mining engineer and former President of Comibol. Juan is very well connected.**
- **Maria Esther Jitton a lawyer with +10 years experience in the mining industry.**
- **Herbert Chavez & Guillermo Cordero, both senior Bolivian geologists with 15-25 years of experience.**
- **Ademar Pinto, Amayapampa camp manager, with 8 years in this role.**
- **6 x contract trainers, 7 x teachers, 1 x nurse**
- **265 locals from Amayapampa and the surrounding villages in a training programme.**



# Project Features

- **Sediment-hosted gold mineralisation similar to RAU's FNQ projects and the Central Victorian Goldfield.**
- **Orebody identified is 30-70m wide, 1.5 kms in strike, open along strike & at depth.**
- **Free milling ore – mostly gravity recoverable gold.**
- **Amayapampa is a mature project that has had 3 feasibility studies completed, all in poor gold price regimes.**





# Amayapampa - 2005 Feasibility Update

<b>Mineral Resource</b>		
- Measured	5.15Mt @ 1.6 g/t Au	265,000 ozs
- Indicated	9.03Mt @ 1.4 g/t Au	396,000 ozs
- Inferred	1.96Mt @ 0.9 g/t Au	59,000 ozs
<b>Metallurgical details</b>	83.8% @ 850,000 tpa	Gravity/CIL
<b>Ore Reserve - Proven</b>	3.62Mt @ 1.6 g/t Au	184,000 ozs
- Probable	5.31Mt @ 1.5 g/t Au	239,000 ozs
<b>Stripping ratio</b>	1.9:1	
<b>Initial production</b>	50,000 oz pa	
<b>Start-up capital</b>	US\$29M	
<b>Sustaining capital</b>	US\$4M	
<b>Cash cost</b>	US\$176/oz	
<b>IRR</b>	29% at US\$375/oz 40% at US\$425/oz	



# Feasibility Enhancements

- **Current incomplete economic modelling suggests a cash flow before tax of US\$148M & an NPV at 10% of US\$67M at current Au prices (US\$830/oz) & current resource (0.72Mozs).**
- **Lyntek of Denver is re-costing & re-design the plant. Lyntek has worked on the previous studies & is looking at a staged production start-up. Stage 1 of ~2,400 tpd. Stage 2 of ~4,800 tpd.**
- **Previous conceptual work suggests good potential for a much larger open pit due to the current Au price & inferred material. Drilling programme currently underway to address inferred material and extend the resource.**
- **Resource base target upgrade is 1.0 to 1.5Mozs.**



# **Project Challenges**

- **Relocating the tailings dam to a more socially acceptable site, with considerable economic benefits.**
- **Water supply. The Altiplano is very arid.**
- **The altitude. The top of the pit will be at 4,100 metres asl.**
- **Training programme progressing reasonably well. Difficulties with the basics – reading, writing & attention/discipline.**
- **Social issues. General acceptance of the project. The workforce is very content & supportive. Relations with the Union & community leaders at an all time high.**
- **Legal issues relating to tenure.**



# Work to be Done

- **Continue addressing social matters.**
- **Continually monitor Amayapampa tenure issues. The Company's first tenure challenge has been successfully concluded.**
- **Revision of previous geological data, issues & approach to resource estimation.**
- **Three types of data used in resource estimate. Diamond core, reverse circulation and underground channel/face sampling (decreasing order of reliability).**
- **Channel samples comprise a large proportion of the data and carry the highest grades. The current drilling programme will validate these samples.**

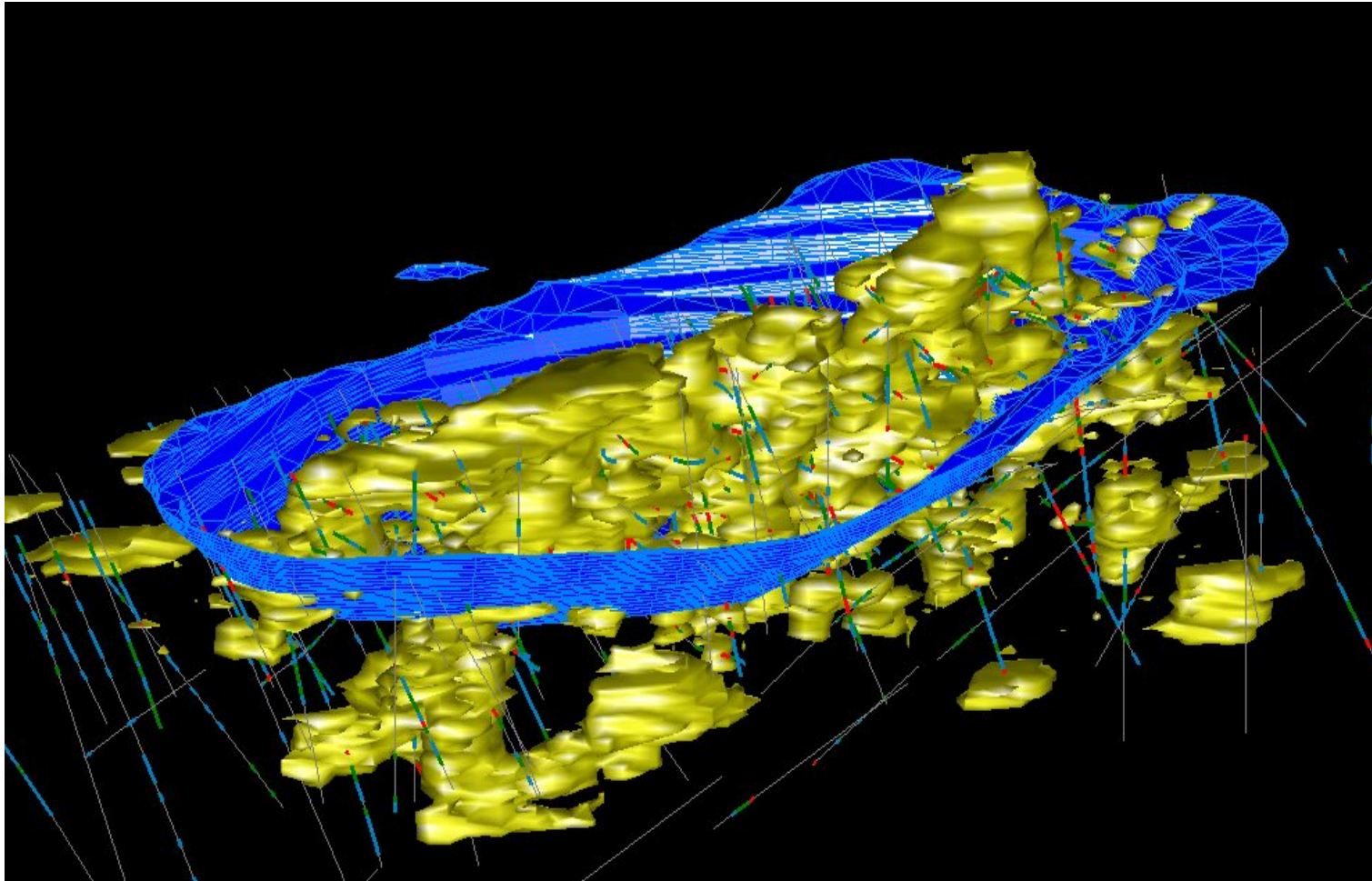


# **Work to be Done - Cont**

- **Updated resource includes data validation and lower risk approach on grade estimate. Risk increases on marginal tonnages.**
- **10 drillhole diamond program commenced to further confirm grades from channel sample dominant areas, to increase resource confidence and to reduce some of the risk on marginal tonnage estimates.**
- **Costean information (assay & geology) on 12.5m sections + short percussion holes at surface to provide upfront production confidence. Infill drill programmes once in production to provide ongoing confidence.**



# Amayapampa Block Model





# Conclusion

- **A challenging country with outstanding geological potential.**
- **RAU has done the hard yards in Bolivia & is in a position to strike.**
- **The geological setting of the Altiplano matches the 15-20 year experience of RAU's Australian geological team in identical geological settings in Australia.**
- **Amayapampa is a near-term production opportunity with outstanding potential.**
- **There are numerous other exciting opportunities being examined in Bolivia by RAU.**