

The EBRD



- Internationally recognised financial partner with a long-term perspective
- Political leverage due to EBRD's unique mandate and shareholder structure
- Preferred Creditor Status
- AAA credit rating
- Wide product, currency, tenor range
- Facilitates inward and cross-border investments
- A catalyst for equity, debt and trade finance, working closely with other providers of capital to fill “market gaps”
- Extensive knowledge of local business environment and practices based on 30+ years experience and local presence in 38 countries
- Label of Quality: High corporate governance and Environmental & Social standards

Objectives



- To promote transition to modern and well-functioning markets
- To promote through policy dialogue improvements in the investment climate and sector reforms
- To support private sector development, privatisation and enterprise restructuring
- To mobilise significant foreign direct investment
- To improve competitiveness and promote innovation to enhance energy and resource efficiency
- To encourage sustainable and inclusive development

Introduction to EBRD

EBRD pioneered mining investments in its region



European Bank
for Reconstruction and Development

30 years

of mining investments

69

individual projects

EUR 2.8bn

Invested in

15 countries

EUR 1.2bn

portfolio (29 active projects)

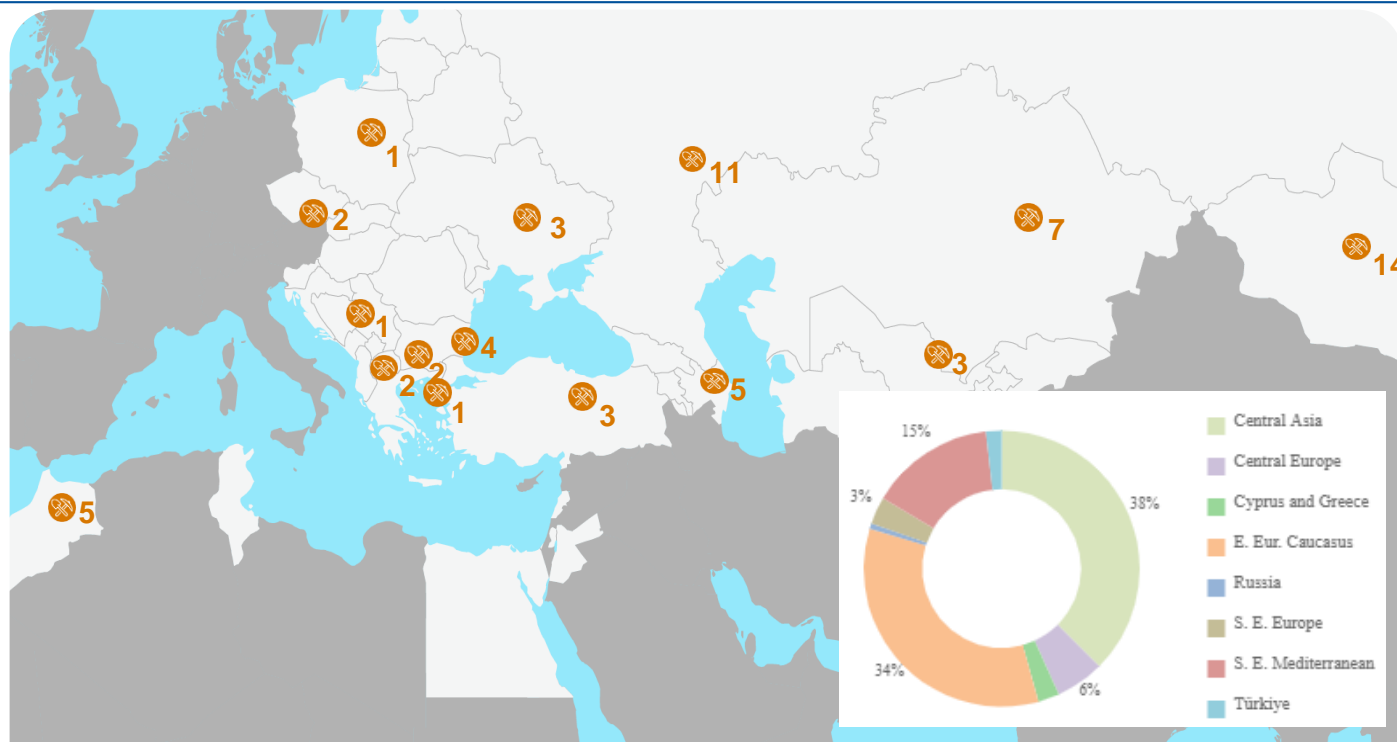
15
commodities¹

99%

private projects²

75%/25%

Debt/Equity²



¹ Investments have been mostly dominated by gold and copper (68%), reflecting the characteristics and endowment of minerals in EBRD COOs

² Percentage of private projects and debt/equity ratio calculated based on the total number of projects

³ The EBRD has excluded Russia and Belarus from receiving funding for projects or technical cooperation following the invasion of Ukraine

EBRD's role in mining investments

Mining investments are at the core of the Bank's strategy

Mining investments fit well into strategic priorities of the Bank: green, digital and inclusion. Without metals, there is no green transition or digitalisation (cloud is metal). **By investing into mining EBRD supports its green transition mandate.**

Strong E&S expertise built by the Bank over 30 years of investments into the mining sector specifically is highly appreciated by all stakeholders.

EBRD is the only IFI actively supporting mining sector in our COOs through investments and policy dialogue.



By investing into mining **EBRD ensures that the highest ESG standards are applied at the beginning of the value chains.**

Traditional sources of commercial funding are limited in EBRD's COOs. Investors and commercial banks favour stable mining jurisdictions.

EBRD COOs demand for metals will be increasing as it is for the entire world. **By investing into mining in COOs, including the EU, EBRD is contributing to a more sustainable economic development.**

Investment potential in ESEE RM sector

A need for mining?



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for Reconstruction and Development

Extensive Mining History

- Mines dating back to the Neolithic ages
- Industrial mining operations since 1920s

Tier 1 Mineral Resources

- The West Tethyan Belt offer a high potential
- Significant output of traditional metals Fe, Pb, Zn, Au, Ag, Cr, **Al, Mn, Cu, Sb**
- Greenfield and brownfield sites offer **B** and **Li**
- 42 sites hold 270 Mt waste with viable grade Zn, Ag, Mo, Sb **Bi, Cu, In, Rh, W**

Growing Private Sector and FDI

- Zijin Mining, Vale, Rio Tinto, BHP, Yildirim, and a host of junior explores

Infrastructure, skills, regulation & agencies

- Access via rail, port, highways, gravel roads
- Power, water and skilled labour
- Serbia updated in 2021 its mining law (modelled on Swedish Law.) Serbia has now the region's most modern mining code and best available state geoscientific data

Therefore, investments towards the development of *locally sourced* raw materials are crucial in view of the future EU and countries needs, in view of green energy transition and security of supply objectives.

Figure 1. CRM presence in PRM and selected SRM sites of the 6 ESEE countries.


















Source: "Mineral Raw Materials' Resource Efficiency in Selected ESEE Countries: Strengths and Challenges" article for the International Conference on Raw Materials and Circular Economy, December 2021

Investment potential in ESEE RM sector

A huge potential exists and needs to be unravelled

- The EU has recognised the importance to establish a **positive environment for investments** in the raw materials sector and there is a political will for re-industrialisation of mining, in order to achieve **security of supply, rapid deployment of green energy technologies, higher employment rates** in mining and future competitive industrial development.
- The unique geological potential of primary raw materials (PRMs) in the ESEE region and the presence of secondary raw materials (SRMs), results in the **high relevance of the ESEE region with the European commodity strategy**.
- The ESEE region has the potential to supply the European market with raw materials for decades to come** (e.g. proven potential exists for some of the critical elements, namely *cobalt, antimony, germanium, gallium, phosphates*), although still data on these materials are limited).

Key Raw Materials (by use)	15 critical technologies			34 critical raw materials ¹			
Aluminum and Iron Ore (used in all 15 technologies)	 Li-ion batteries	 Fuel cells	 Electrolysers	Aluminum/ Bauxite	Coking Coal	LREE	PGM
Copper, Silicon metal, Nickel (used in 14 technologies)	 Wind turbines	 Traction motors	 Solar photovoltaics (PV)	Antimony	Feldspar	Lithium	Scandium
Manganese (used in 13 technologies)	 Heat pumps	 Hydrogen direct reduced iron and electric arc furnaces (H2-DRI)	 Data transmission networks	Arsenic	Fluorspar	Magnesium	Silicon metal
Chromium and Borate (used in 12 technologies)	 Data storage and servers	 Smartphones, tablets and laptops	 Additive manufacturing (AM)	Baryte	Gallium	Manganese	Strontium
Molybdenum and Zinc (used in 11 and 10 technologies respectively)	 Robotics	 Drones	 Space launchers and satellites	Beryllium	Germanium	Natural Graphite	Tantalum
				Bismuth	Hafnium	Niobium	Titanium metal
				Boron	Helium	Phosphate rock	Tungsten
				Cobalt	HREE	Phosphorus	Vanadium
						Copper	Nickel

1) Draft CRM Act of the EU, characterises CRM by a high risk of supply disruption and its importance for the overall EU economy. Copper and Nickel do not meet the CRM thresholds, but are included in the list as strategic raw materials. Strategic raw material is additionally characterised by its importance for strategic areas and its projected demand growth relative to current supply.

Contacts



European Bank
for Reconstruction and Development

Natalia Lacorzana **Head of Natural Resources**

+44 20 7338 6802
lacorzan@ebrd.com

EBRD

5 Bank Street
London, E14 4BG
United Kingdom
www.ebrd.com



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The grid contains the following images (row by row, left to right):
1. A hand holding a large quantity of small, light-colored stones or gravel.
2. An offshore oil or gas drilling rig in the ocean.
3. Large rolls of white material, possibly insulation or fabric, stacked together.
4. A large concrete dam or bridge structure spanning a body of water.
5. A large ship or vessel docked at a port.
6. A multi-story building under construction with visible scaffolding.
7. A group of people walking on a modern, brightly lit interior walkway or transit station.
8. A long, straight road or railway track stretching into the distance.
9. A modern, curved architectural structure, possibly a train station or public building.
10. A close-up of a Euro banknote, showing the '10' and '20' denominations.
11. Several wind turbines standing in a field.
12. A stylized globe with glowing lines connecting different points, representing global connectivity or networks.

Annexes

Introduction to EBRD

Who we are



European Bank
for Reconstruction and Development

An international financial institution supporting the development of sustainable well-functioning market economies

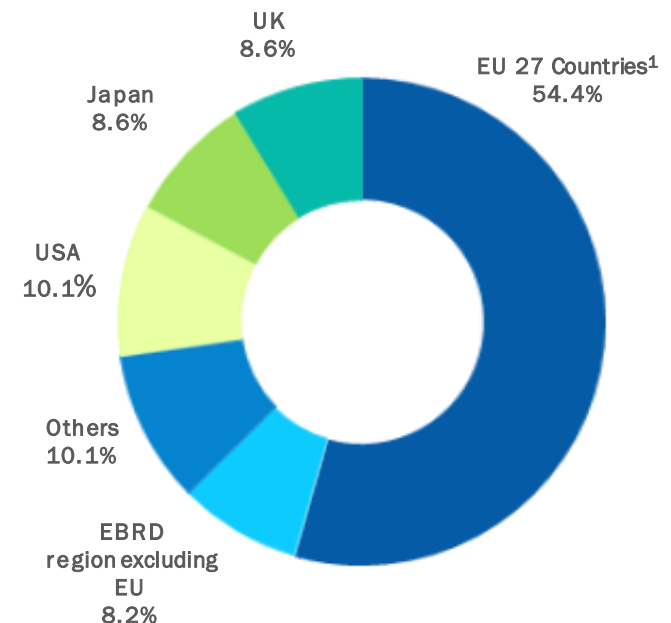
Triple-A rating
(from all three main
rating agencies (S&P,
Moody's and Fitch))

**Owned by 71
countries and 2
inter-governmental
institutions**
(the EU and EIB)

**€30 billion capital
base**

1991	Established
1992	Russia and 11 other members of the former Soviet Union join
2007	The Czech Republic becomes the first country to “graduate” from the EBRD
2012	Starts investing in Egypt, Jordan, Morocco and Tunisia
2016	25th anniversary; China becomes 67th member
2017	Starts operating in Lebanon and in West Bank and Gaza
2018	India becomes a member
2019	Libya and San Marino become members
2021	United Arab Emirates and Algeria become members

Shareholding structure



1. Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany and Italy each hold 8.6%

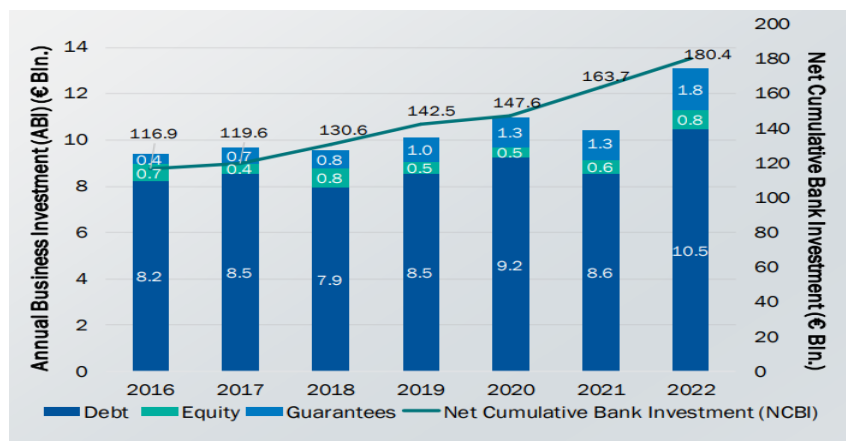
Introduction to EBRD

EBRD investments



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Since 1991, EBRD invested over €184.7 billion in around 6,760 projects (as of June 2023)



EBRD Top 10 investee countries in 2022 (€m)

1	Turkey	1,634
2	Ukraine	1,460
3	Egypt	1,343
4	Poland	990
5	Uzbekistan	839
6	Romania	709
7	Greece	687
8	Serbia	648
9	Morocco	528
10	Moldova	525

In 2022

Highest credit rating
(AAA/Aaa)

€30 billion
capital base

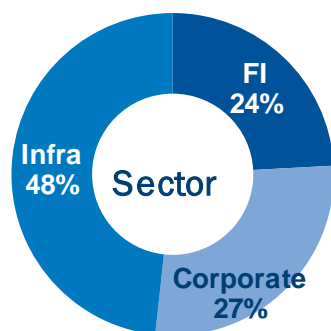
Private sector accounted
for share of
79%

Debt: 82%

Equity: 6%

Guarantees: 12%

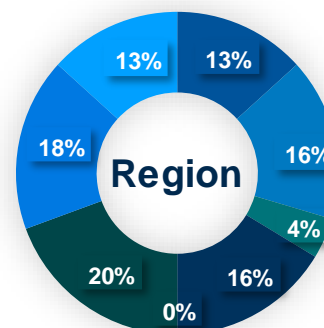
EBRD Portfolio (as at December 2022): € 53,469 billion



Financial Institutions 24% (Banks, Leasing, Insurance, Other)

Corporate 27% (Natural Resources, Agribusiness, Manufacturing & Services, Property & Tourism, Telecommunications, Media and Technology, Equity funds)

Sustainable Infrastructure 48% (Transport, Municipal Infrastructure)



- Central Asia 13%
- Central Europe 16%
- Cyprus and Greece 4%
- E.Eur.Caucasus 16%
- Russia 0%
- S.E. Europe 19%
- S.E. Mediterranean 17%
- Turkey 13%

Introduction to EBRD

A key investor in the extractive industries sector



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200

equity and debt projects

EUR 9.35bn

investment since 1991

EUR 4.0bn

debt and equity portfolio

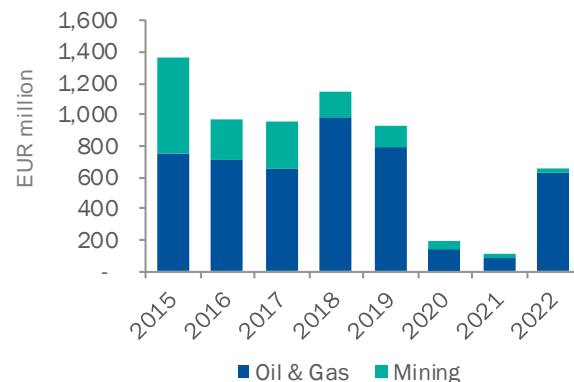
15+ bankers

in London, Istanbul, Cairo,
Kyiv, Almaty, Ulaanbaatar.
In-house engineering expertise.

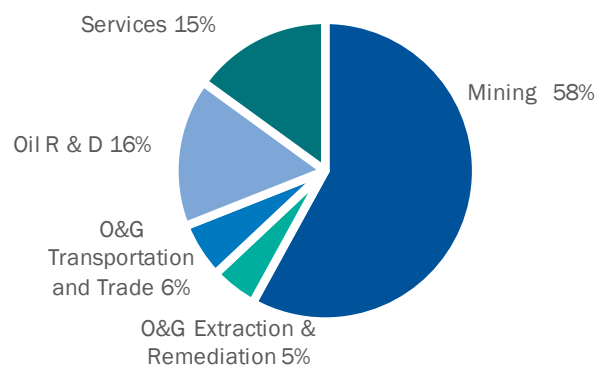
Key Sectors

Base metals (Cu, Zn, Fe, Cr)
Precious metals (Au, Ag, PGM)
Industrial minerals
Oil & Gas mid/downstream
Services providers

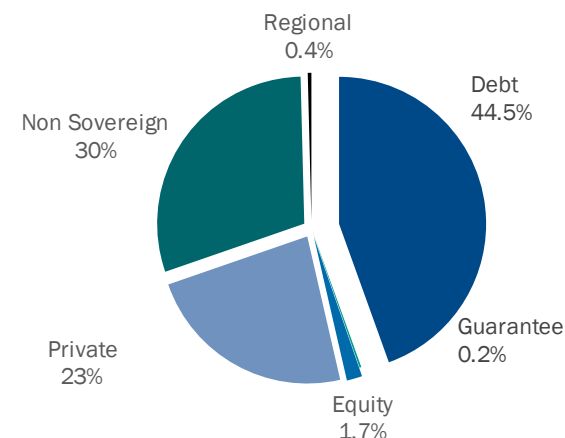
Signed business volume



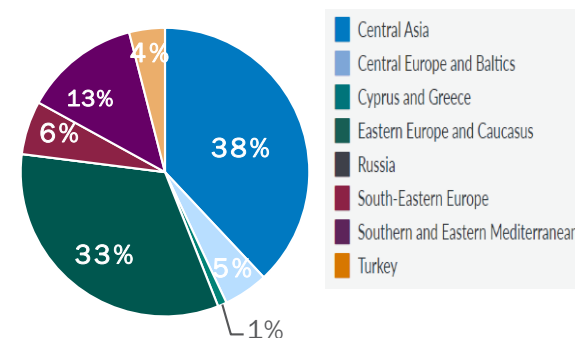
Operating assets by sub-sector



Operating assets by instrument



Portfolio by region



- ✓ **Selectively support the exploration and production (primary and secondary) of metals and minerals relevant to the green energy transition and digital economy.**

In particular, this will include among others, investments in EU projects related to:

- **exploration phase** of raw materials, critical to the green and digital transition.
- **production of all metals and minerals** (except uranium and thermal coal) **in all stages of the mine's life cycle.**
- **Critical Raw Materials (CRMs)**, as these are defined by the European Commission.
- **mining projects to meet high ESG standards**, aligned with the Paris Agreement and selected on merits of impact to the local and wider economic development.
- **circular economy**, thereby increasing secondary supply of minerals.
- **diversification of mineral supply chains** and stockpiling of CRMs to make the EU more resilient to supply shocks.
- **privatisation**, corporatisation and transformation.

- ✓ **Support the decarbonisation of mining activities through promotion of cleaner energy sources, innovation, digitalisation, skills development and resource efficiency.**

In particular, this will include among others, investments in EU projects related to:

- **decarbonisation** of new and existing mining operations and more **efficient use of resources**, enhancing competitiveness.
- **mining equipment providers and mining service companies**, as they are very often major contributors to innovation, digitalisation, and transfer of skills and technology in the sector.
- **remediation** of mining sites and environmental liabilities created by mining operations.

✓ Support mining companies to improve their environmental, social, inclusion and governance practices.

In particular, this will include among others, engagement in EU projects to promote, support and/or finance:

- **international best environmental, social, inclusion and governance practices and standards.**
- **mine site remediation, recovery and re-use** including supporting alternative post mining land uses.
- **increased disclosure** of ESG information and reporting.
- the use of **nature based solutions** and investments in nature.
- identification and adaptation to **climate change related risks.**
- **stakeholder engagement practices**, social licence to operate and social benefit sharing initiatives.
- **talent** attraction, reskill and upskill workers as well as diversification of mining workforce.
- **close the gaps** between women and men's overall labour force participation.

✓ Assist governments in improving the regulation and business environment to facilitate the implementation of best practices in the sector.

In particular, provide advice and advisory work in the areas of:

- **upskilling and capacity building** of workforce in mining bodies.
- **governance, legal and regulatory framework** for mining operations, including investor protection.
- **digitalisation**, broaden availability and access to data and adoption of **internationally recognised standards** for the classification of mineral resources.
- **implementation and monitoring of environmental, social and inclusion practices and standards.**
- **sector development**, in particular in those EU countries with high endowment but limited mining activity.
- **attracting foreign direct investment.**

What we finance

Mining activities that EBRD could finance include:

- ✓ metals and minerals extraction, refinement and distribution,
- ✓ mining waste recovery and recycling, and
- ✓ activities and service industry related to metals and minerals extraction.

Individual projects may be considered for EBRD assistance, if they:

- ✓ are located in a country where the EBRD works (with some flexibility)
- ✓ are bankable projects
- ✓ meet satisfactory integrity & operational standards
- ✓ would benefit the local and wider economy
- ✓ satisfy the EBRDs environmental standards as well as those of the host country

... and each project must achieve one of our six transition objectives: *competitive; inclusive; well-governed; resilient; integrated and green.*

What we don't finance

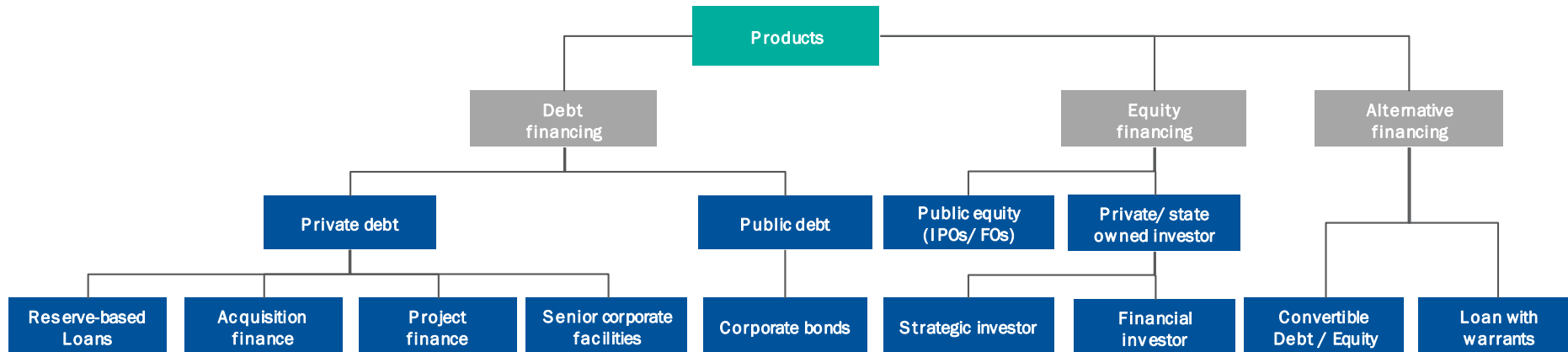
- × We may not finance certain products or processes, due to their environmentally harmful nature or if adverse impact cannot be adequately mitigated.
- × Extraction/production of uranium and thermal coal.

Introduction to EBRD

Product flexibility, tailored to each project's needs



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Debt

Flexible loan structure.

Senior/subordinated, mezzanine, project finance, convertible debt, reserve-based or subscription of bond issues.

Up to ca 1/3 of the total project costs.

Long tenors. 5-10 years [subject to acceptable reserves tail considerations for stand alone project finance].

Capital mobilization. A/B finance with preferred creditor status or parallel loans with commercial banks, IFIs, ECAs and other providers.

Multi-currency lending. EUR, USD or local currency.

Equity

Non-controlling minority. Up to 20% stake.

Support to strategic investors.

Share of pre-development and development-stage risk.

Long term partnership. Long exit horizons.

IPO/SPO anchor investor.

Credibility and comfort to investors and financiers.

Board representation. Neutral party (*honest broker*), Technical/Commercial Nominees, good governance.

Introduction to EBRD

A key investor in all types of mining projects



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Exploration-focused	Production-focused				Service-focused
Junior exploratory	1. Junior Producers	2. Mid-Tier Producers	3. Majors/Diversified producers	4. State-Owned Enterprises (SOEs)	
<ul style="list-style-type: none"> • 100% focused on mineral exploration; no revenues. • High-risk ventures that prosper or fail based on exploration results, commodity prices, and their ability to raise capital. • Mostly publicly-traded (primarily, ASX and TSX). • Promising deposits are sold to mid-tiers or experienced majors. • ~ 75% of all new mineral deposits were discovered by junior exploratory companies. 	<ul style="list-style-type: none"> • Typically operate a single, small mine that is often in the upper quartile of operating costs. • Exploration is generally limited to replacing reserves mined each year and identifying satellite deposits. 	<ul style="list-style-type: none"> • Generally operate 1 to 3 mines. • Typically precious and/or base metals. • Projects tend to be smaller, higher cost, and have a shorter mine life. • Corporate growth is driven by M&A rather than exploration. 	<ul style="list-style-type: none"> • Lowest OPEX. • Long life mines (30-50+years). • Profitable in all phases of business cycle. • Produce different minerals from many mines across multiple continents. • Invest heavily in exploration (as a group comparable with all juniors). 	<ul style="list-style-type: none"> • Typically focused on a single country. • Often vertically integrated, from exploration to mining to smelting/refining. • Limited commodity focus and/or project. 	<ul style="list-style-type: none"> • Exploration drilling companies. • Assay laboratories. • Technical consultants (geology, geotechnical, hydrogeology, mine planning, metallurgy, tailings dam). • Environmental consultants. • Metallurgical test work laboratories. • Mining contractors.

Introduction to EBRD

Example Transactions – Mining and mining services



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Mining

Junior/mid-tier miners
Mining majors
Services (drilling)

Minerals

Precious and Base Metals
Industrial Minerals

Products

Project Finance
Corporate Debt
Revolver Debt
Bonds
Mezzanine / Convertible debt
Listed equity (IPO, SPO)
Private equity (structured)

TC Assistance

Energy/Resource Efficiency
Decarbonisation Strategy
Gender/Inclusion Programmes
Regulator's E&S Capacity
EITI Accession
SOE Corporate Governance
Sector Capacity Building

 eldorado gold Eldorado Gold (Project primrose) 2023, Greece USD 81.5 million Equity Copper-Gold mine development	 AYA Gold & Silver 2023, Morocco USD 100 million Senior Loan Silver mine Expansion and upgrade	 ALBCHROME Albchrome Sh.p.k. 2022, Albania USD 28 million Senior Loan Chrome mine development	 Euro Manganese Inc. Euro Manganese 2021, Czech Republic CAD 8.5 million Equity Chvaletice Manganese Project development	 VOSKHOD CHROME Voskhod Chrome LLP 2021, Kazakhstan USD 15 million Loan Chrome mine development
 ZCMC Zangezur Copper Molybdenum Combine CJSC 2019, Armenia USD 11 million Senior Loan Copper mine Unsecured bonds	 Adriatic Metals Adriatic Metals 2020, Bosnia & Herzegovina GBP 6.2 million Equity investment Silver-Zinc mine Pre-development	 TÜMAD Tumad Madencilik A.S. 2020, Turkey USD 50 million Senior loan Gold mines development	 KGHM KGHM 2019, Poland EUR 93 million Senior loan Exploration, mining and processing	 ERDENE Erdene Resource Corp. 2019, Mongolia USD 5 million Loan Gold Mine Pre-feasibility Study
 New Co Ferronikeli Ferronikeli Complex LLC 2019, Kosovo EUR 25 million Senior Loan Ferronikeli Energy Efficient	 Yildirim GROUP OF COMPANIES Yildirim – Voskhod Chrome 2018, Kazakhstan USD 29 million Senior Loan Chrome mine restructuring & expansion	 POLYMETAL INTERNATIONAL PLC Polymetal International Plc Baykirkchik Mining Venture 2018-2017, Kazakhstan USD 140 million USD 60 million Senior Loan Gold mine development	 Shalkiya ZINC JsC ShalkiyaZinc Ltd. 2017, Kazakhstan USD 175 million Senior Loan Lead-zinc-mine expansion	 Centerra Gold 2016, Kyrgyzstan/Mongolia USD 150 million Revolver debt facility Gold mines expansion and development