

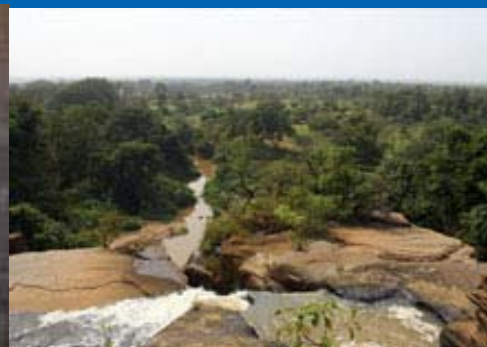
Exploring Golden Frontiers

Building Political & Social Capital – An Explorer's Perspective

AAMIG Seminar – Celtic Club – 21 August 2013



Middle Island
RESOURCES LIMITED



Capital Structure

ASX Code: MDI



Shares on Issue	125m
Unlisted Options	18.5m
Number of Shareholders	~700
Top 20 Shareholders	~63%
Directors	~21%
Institutions	~30%
Newmont	~10%
Cash (30/06/13)	A\$5.63m
Market Cap (at A\$0.145)	A\$18m

Corporate Strategy



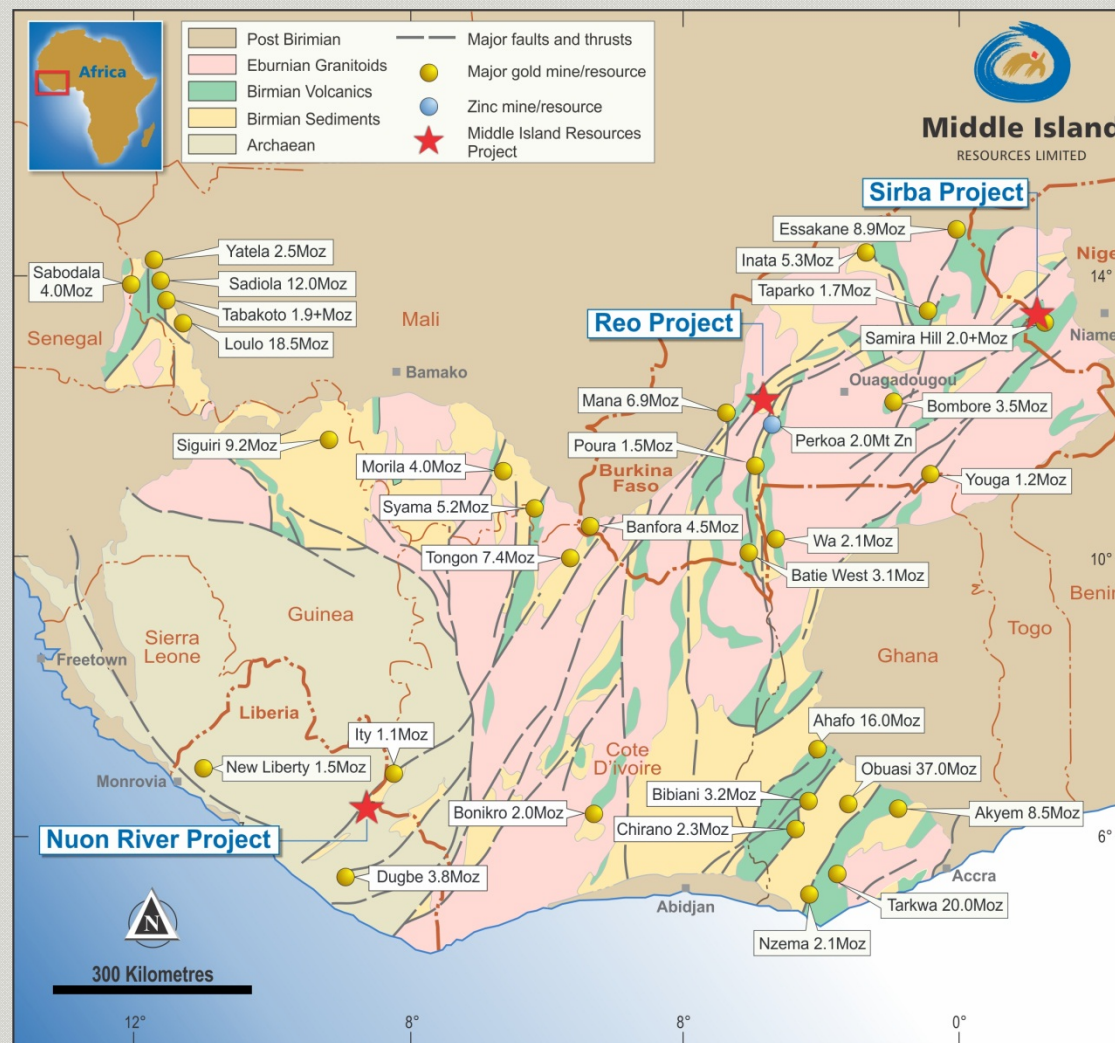
- **Gold.**
- **West Africa.**
- **Minimum +1Moz 'stand-alone' resource base.**
- Leverage off management's 24 years local experience & contacts.
- Jurisdictions with acceptable risk profile.
- Jurisdictions with exposure to US\$ gold price & costs.
- Domains with track record of successful project development.



Projects



- **3 West African countries** (combined area of ~5,400km²).
- Acquiring an 80% interest in the **Samira Hill gold mine & mill**, plus interests in 9 exploration permits, comprising the **Sirba Project** – **Niger** (2,577km²).
- 100% of **Reo Project** – **Burkina Faso** (1,166km²).
- 100% of **Nuon River Project** – **Liberia** (1,676km²).



CSR Commitment



- **Board and management commitment.**
- **Clear & quantifiable target (5%).**
- **Shareholder endorsement.**
- **Primary objective to build political & social capital.**
- **Dedicated Community Relations Manager.**
- **Recognise community engagement as first line of security.**
- **Respect governments and communities as our hosts.**



CSR Framework



- **UN Millennium Development Goals.**
- **AusAID objectives under UNMDG.**
 - Water & sanitation.
 - Child & maternal health.
 - Education.
 - Agriculture.
 - Capacity building in Mining.
- **Assists in attracting co-funding.**
- **Internal policies & procedures.**



CSR Policy



- Distributed fairly across permit areas.
- Consistent with community objectives.
- Community must contribute 5% of project value.
- Must be community owned.
- Sustainable by community well beyond MDI tenure.
- Designed, implemented, managed, monitored & measured by recognised NGO.
- Project/program must be accompanied by training and capacity building.



CSR Fundamentals



- **Employment and training most basic form of social development.**
- **Wherever possible procure goods & services locally.**
- **Secure major assets as a priority:**
 - Camps.
 - Principal prospects/deposits.
 - Infrastructure/infrastructure corridors.
 - Progressively expand reach.
- **Engage all stakeholders:**
 - Central, provincial & local government.
 - Relevant government departments & authorities.
 - Traditional chiefs & individual communities.



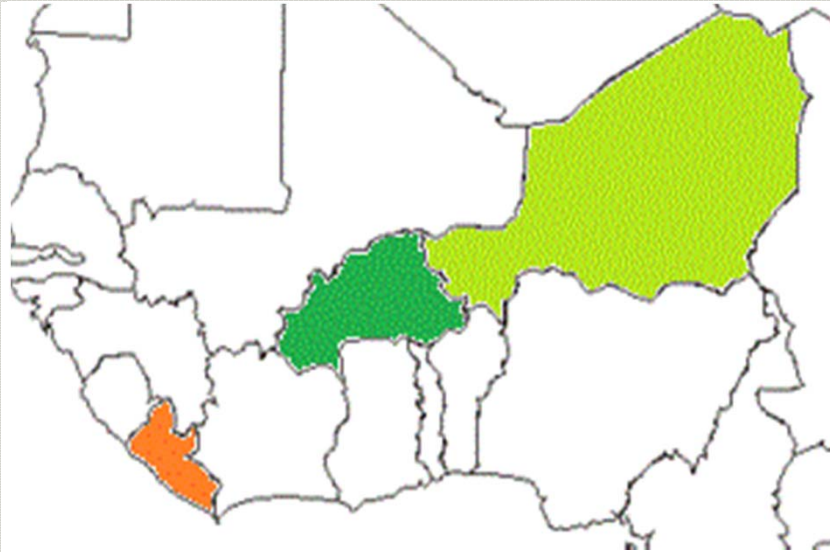
CSR Fundamentals (cont.)



- **Communication essential:**
 - Manage community expectations.
 - Routinely inform communities of plans & progress.
- **Independent grievance mechanism:**
 - Use NGO or suggestion box.
 - Check regularly and deal with issues quickly & transparently.
- **Build political capital:**
 - Invite politicians, public servants, donors & media to inauguration ceremonies.
 - Build community to advocate on your behalf.
- **Ultimately become a valued community member.**



Different Country Contexts



Liberia

- Civil War.
- No social capital.
- Inherent distrust.
- Centralised government.
- Relative absence of traditional structures.
- Humanitarian NGOs.

Niger & Burkina Faso

- Relative Peace.
- French colonial legacy.
- Decentralised institutions.
- Traditional structures.
- Development NGOs.



Burkina Faso – Solar Water System



Project:

- **Construction** of solar-powered reticulated water system: 5 tap stands; 3 institutional connections, 1 household connection for 1000 water users.
- **Training** of local authorities, local water users' association & system management committee.

Partners:

- **Eau Vive** – project management, social mobilisation, capacity building, monitoring.
- **Australian Government** – DAP co-funding under AAMIG initiative.

Budget:

- **US\$66,000** (DAP: US\$22,500).



Burkina Faso – Supporting Market Gardeners



Project:

- **Construction** of 4 lined wells and tanks, 4 demonstration drip irrigation sites & market stalls.
- **Capacity Building** of 50 producer cooperatives, umbrella organisation, local authorities.

Partners:

- **Eau Vive** – project management, social mobilisation, capacity building, monitoring.
- **Australian Government** – DAP co-funding under AAMIG initiative.
- **All Terrain Services** – procure vegies locally.

Budget:

- **US\$82,000** (DAP: US\$22,500).



Niger – New Primary School



Project:

- **Construction** - fully furnished and equipped 3-classroom school, latrine block, water pump.
- **Hygiene Awareness & Capacity Building** of school management committee, PTA & Mothers for Education Association.

Partners:

- **Eau Vive** – project management, social mobilisation, capacity building, monitoring.
- **Australian Government** – DAP co-funding under AAMIG initiative.
- **Eau Sans Frontières** – co-funding.

Budget:

- **US\$112,000** (DAP: US\$14,000).



Liberia – High School Annexe



Project:

- **Construction** of 5-room Annexe for 11th & 12th grade.
- **Social mobilisation** with local community – campfire night, workshops, focus groups, football tournament.

Partners:

- **ECREP** – social mobilisation, capacity building, monitoring.
- **BADRA** – construction.
- **Australian Government** – DAP co-funding under AAMIG initiative.

Budget:

- **US\$57,000** (DAP: \$22,500).



Building CSR as a Process



- Importance of the process.
- A concrete commitment generates goodwill.
- Benefits of a local partner NGO.
- Partnerships to increase scope & impact.
- Laying groundwork for the future.
- Become a valued community member.



Thank you & questions

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