

July 2020



► **Suriname's** development of rich gold resources to be driven by economic strategy new elected democratic parliament for the 5-year period of 2020 – 2025

► Besides IAMGOLD and Newmont as world-class gold producers, **12 Exploration (CSE – TWLV)** is the only listed exploration company focused on Suriname

Suriname's economy is dominated by the mining industry, with exports of oil and gold accounting for approximately 85% of exports and 27% of government revenues.

The worldwide drop in international commodity prices and the cessation of aluminum mining in November 2015, Suriname significantly reduced government revenues and national income. Suriname began institutional macro adjustments between September 2015 and 2016; these included a 20% currency devaluation in November 2015.

After a military rule from 1980 to 1981, when he was Suriname's de facto leader, Dési Bouterse as the chairman of the Suriname political alliance Megacomination and the leader of the National Democratic Party (NDP), which is part of the Megacomination, was elected in August 2010 as President of Suriname with 36 of 50 parliament votes.

Having been run for ten years by the National Democratic Party (NDP) of Dési Bouterse, four opposition parties closed a political alliance on 15 May 2020, led by the Progressive Reform Party (VHP) of opposition leader and former justice minister Chan Santokhi. Representing 20 of the 51 government seats, the VHP is by far Suriname's largest party, as a result of which Santokhi was elected as the new President of Suriname. Ronnie Brunswijk, leader of the ABOP (the General Liberation and Development Party) was elected as Vice-President. He is not only a politician, but as a businessman owns a number of gold mines.

The inauguration of the President and Vice-President will take place on July 16, 2020.

Oil and gold by far Suriname's major pillars of future economic growth

► **Apache** announces significant oil discovery offshore Suriname at **Sapakara West-1**

On January 7, 2020, **Apache Corporation** and **Total S.A.** announced a significant oil discovery offshore **Suriname** on Block 68, which comprises 1.4 million acres and offers significant potential beyond the discoveries of **Sapajara West** and **Maka Central**.

The well was drilled using the drill ship Nobel Sam Croft with **Apache** as operator holding a 50% working interest and **Total** holding a 50% working interest.

Maka Central-1 well confirms geologic model with 73 metres (20 kilometres) of oil pay and 50 metres of light oil and gas concentrate, appraisal planning is underway.

Drilling at the next well **Sapakara West-1**, approximately 20 kilometres south-west of **Maka Central-1** will test the same-aged upper cretaceous intervals in a separate and distinct stratigraphic feature.

Apache has identified at least 7 distinct play types and more than 50 prospects within thermally mature play fairway.

On April 20, 2020, **Apache** announced that **Sapakara West-1** provides further conformation of geological model with 79 metres of net oil and gas condensable pay. The third and fourth exploration wells locations in **Block 58** have been identified.

Company's CEO and President stated that "importantly the Company's data indicate that the **Sapakara West-1** well encountered a distinct fen system is separate from the **Maka Central-1** discovery, which **Apache** announced in January.

Upon completion of operations at **Sapakara West-1**, the Sem Croft will move to the third prospect in **Block 58, Kwaslewesi**, which will be drilled approximately 20 kilometres northeast of Sapakara West-1. The fourth exploration target is Keskeri, which will be drilled approximately 20 kilometres southeast of Sapakara West-1.

► **Staatsolie, a government owned entity, facilitates Suriname's licencing process and is also engaged directly in trading partnerships**



On April 22, 2020, **IAMGOLD/Rosebel Gold Mines ("RGM")** signed an agreement with **Staatsolie** on the establishment of a trading partnership under the Dutch name VOF, related to the concession areas within the common existing mineral agreement among which the **Saramacca mine** concession.

The existing **Gross Rosebel mine** concession, 95% owned by **Rosebel Gold Mines** and 5% by **Staatsolie** of **Suriname**, is not included in this agreement.

Staatsolie of **Suriname** also has a 25% interest in **Newmont Suriname**, and has been appointed by the government to manage its 30% in the trading partnership.

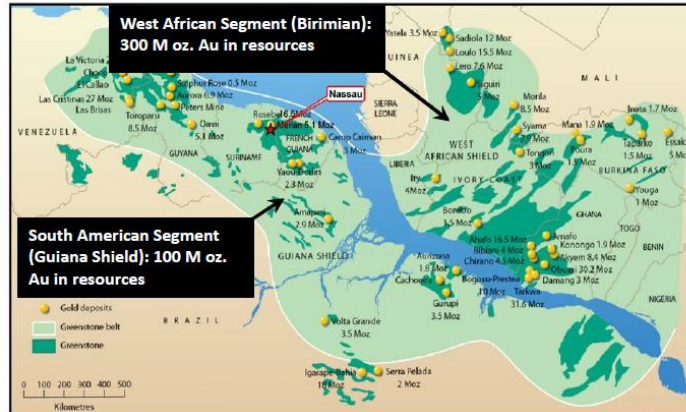
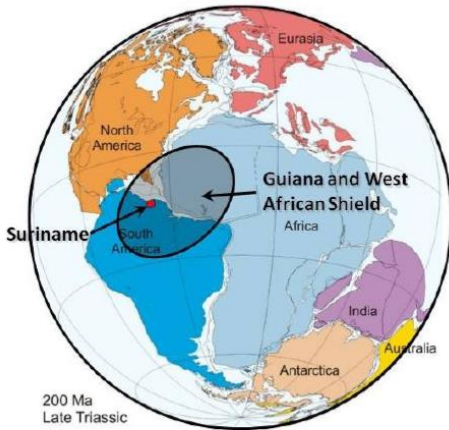
As a result, **Staatsolie** has paid a first amount of US\$ 34 million as part of a total amount of US\$ 54.9 million being due. The remaining amount of US\$ 20.9 million, besides ongoing corporate and capital expenditures including management cost and interest, will be paid from the **Staatsolie's** gold credits provided by the VOF-agreement.

70% of the production from the VOF, including the mine concession Saramacca, will be assigned to **RGM** and 30% to **Staatsolie**.

MERIAN MINE⁽²⁾ 	ROSEBEL MINE⁽²⁾ 
<p>Construction commenced in August 2014, and commercial production was achieved on October 1, 2016, with the project on schedule and US\$150 million under budget.</p> <p>Mine Type: Open Pit (2 pits) 2019 Gold Production: 524,000 ounces 2019 All-In Sustaining Cost: US\$689/ounce Recovery: 92% Gold Reserves: 4.64 million ounces Grade: 1.01 grams/tonne Estimated Mine Life: 12-14 years</p>	<p>Began commercial production in 2004 and has since produced over 5.3 million ounces of gold. In 2019 initial production of ore from the Saramacca expansion 25 km away began.</p> <p>Mine Type: Open Pit (8 pits to date) 2019 Gold Production: 264,000 ounces 2019 All-In Sustaining Cost: US\$1,165/ounce Recovery: 95% Gold Reserves: 3.52 million ounces Grade: 0.93 grams/tonne Estimated Mine Life: 15 years</p>

The Guiana and West African Shields

The Guiana and West African Shields were adjacent prior to breakup of the supercontinent Pangea



Guiana Shield

Gold Production & Reserves: 100 million ounces

West African Shield

Gold Production & Reserves: 300 million ounces

**Significantly less exploration performed to date*

The **Guiana Shield** includes **Guyana, Suriname, French Guyana** and the north and northeast region of **Brazil**.

Suriname: An Emerging Gold Producer



Gold-producing, developing country on the Guiana Shield of South America

Amongst several gold producing countries including Venezuela, Guiana, French Guiana and Brazil that collectively account for more than 100 million ounces of gold reserves and historical production

The gold mining industry of Suriname is in the early, rapid discovery phase, in which well capitalized companies can acquire exploration permits and rapidly make valuable gold discoveries for shareholders

The country is a parliamentary democratic republic based on a 1987 Constitution

Suriname is a safe country to work in and it is the early stages of industrial development

Large scale gold mining began in 2002 and since then the economy is based on gold mining, logging, agricultural products, fishing and a small amount of oil production

The business case histories of the Rosebel and Merian gold mines indicate that the business environment is acceptable to large, multinational companies