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PRESS RELEASE:

TAMAR REOURCES PROPOSES INVESTMENT IN SILESIA, POLAND

A plan to create more than 2000 jobs and invest US\$ 180 million has been announced by Tamar Resources, a UK-based mining investor.

Tamar Resources Ltd. is a British company working in partnership with the Solidarity Trade Union to bring about the acquisition and re-opening of the recently closed Krupiński mine.

The plan developed by Tamar and the unions involves the re-opening of Krupiński as a coking coal mine. Coking coal is a key raw material for the steel industry, and is on the European Commission's list of Critical Raw Materials, reflecting its strategic importance to Europe.

It is estimated that the re-opening of the Krupiński mine will bring employment for approximately 2000 workers and 400 contractors. Tamar is proposing to invest US\$180 million to achieve this, part of which will repay the state aid spent on the mine's recent rehabilitation.

Tamar's principals are highly experienced specialists in the acquisition, development and management of mines and mining business. These include George Rogers, one of the UK's most experienced mine financiers and Dr Eike von der Linden, a mining engineer with a 43-year track record in the resources industry and one of Europe's leading resources sector technical-financial advisors.

The company is backed by a leading UK-based specialist mining private equity fund.

KRUPIŃSKI DEVELOPMENT PLAN

On being given approval to acquire the Krupiński assets and concession, Tamar will immediately begin the mine planning, test-work and engineering work required to define Krupiński's successful operational future. This will be followed by the recruitment of management and workers, and the purchase of new equipment, with the objective of bringing the mine back in production within 12 months. Tamar's plan is to bring into operation three longwall faces producing 2.4 million tonnes of coal per year by the end of the third year.

We very much appreciate the opportunity to co-operate with the Polish authorities in building a modern and competitive mining industry. We firmly believe, that our investment will bring UK-Polish relations even closer together – says George Rogers, Tamar’s Chief Executive.

An integral aspect of this plan is to open a new mining area immediately to the south of the existing concession. The local community of Suszec have indicated that they would be very supportive of Tamar’s application to extend the concession in this way.

Much of Tamar’s investment would go towards replacement of the mobile mining equipment, the conveyors, and wash plant items, which were retained by the previous owners when the mine was closed. The balance will be principally spent on repayment of state aid, underground development and working capital.

TAMAR AS AN EMPLOYER

Tamar has committed to its union partners to pay its workers above or equal to the average rate in Poland for each particular skill level. In fact, the company intends to go beyond this, and implement a generous worker incentive plan for its employees of all levels. Tamar also intends to develop with its union partners an extensive training programme for both specialist skills and apprenticeships.

As an investor, Tamar is proud to be working with Solidarity, the Krupiński Workers Union and the Suszec Community. It supports their initiative to revive the mine and ensure it, and its workers, a long-term future.

We are currently awaiting a meeting with the Minister of Energy, to discuss details of working conditions and social benefits, and to agree the deal. We intend to set a high standard as a Polish mining company – adds George Rogers.

Tamar recognises that Poland has an exceptional pool of talented miners, including many who have already worked at Krupiński and nearby mines. The company will be looking to recruit entirely from within Poland, and in particular from within Silesia.

OVERVIEW

Tamar Resources has the financial backing and expertise to invest in Krupiński and make it into an operational, financial and social success. Tamar takes corporate, social and environmental responsibility very seriously, and will be a good employer, corporate citizen and taxpayer.

CONTACT

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