GUIDELINES FOR GOVERNANCE

The Angolan government is in the process of implementing a five-year plan to transform Angola’s natural resources into real wealth for Angolans. Following the election of João Lourenço as President of the Republic in August 2017, an official program has been established that aims to:

- Replace oil as the country’s main source of revenue by rapidly and sustainably increasing the production of goods and services;
- Co-ordinate public and private investment to accelerate the diversification of the Angolan economy; and
- Develop and implement the Foreign Investor Statute in order to vigorously promote foreign direct investment.

A newly-created Governance Program is actively seeking to establish co-operative relations at government and trade level with the aim of attracting global leaders in the production of goods and services across a wide spectrum of industries in a bid to diversify the economy.
...towards diversified, sustainable development.
THE ROLE OF THE MINISTRY OF MINERAL RESOURCES AND PETROLEUM

Towards diversified, sustainable development

The Ministry of Mineral Resources and Petroleum is the auxiliary institution of the President of the Republic responsible for the creation, conducting, executing and controlling the Executive’s policy relating to the safe and sustainable development of Angola’s natural resources. This includes all aspects of the exploration, development and production of minerals, crude oil and gas, refining, petrochemicals, storage, distribution and marketing of mineral and petroleum products, as well as the production and commercialization of biofuels, with due regard to the protection of the environment.

Government subsidiaries, agencies and affiliations

• Endiama – The National Diamond Company of Angola
• Sodiam – Angolan National Diamond Trading Company
• Ferrangol – National Concessionaire of Precious Metals and Base Metals
• Sonangol Oil Company
• Geological Institute of Angola
• Regulatory Institute for Petroleum Derivatives
• Higher Institute of Petroleum
• National Institute of Petroleum
• National Mineral Resources Agency
• National Agency of Oil, Gas and Biofuels
• National Kimberley Process Commission
International Organizations linked to the Sector

- Organization of the Petroleum Exporting Countries (OPEC)
- Association of African Diamond Producing Countries (ADPA)
- Organization of African Producers of Petroleum (APPO)
- International Commission for the Great Lakes Region - Protocol to combat the illegal exploitation of mineral resources
- Tripartite mechanism for co-operation: Angola, South Africa and DRC
- African Center for Minerals and Geosciences (former Southern and Eastern Africa Mineral Resources Center - SEAMIC)
- International Energy Forum (IFE)

GEOLOGICAL INFORMATION

The National Plan of Geology (PLANAGEO) has been confirming mining occurrences throughout Angola using aero-geophysical data and revealing geological structures that provide invaluable information on the location and occurrence of mineral deposits.

PLANAGEO has already confirmed a number of important geological structures, among them the extension of the Zambian Copper Belt that covers a large part of Cuando Cubango to the southeast of Angola. This region is ripe for exploration, as is the Kassinga structure, which is well known for the occurrence of iron and with probabilities of a green stone belt extension. This comprises a belt of metamorphic rocks with gold and several other features.

Other notable geological structures include the complex *anortesítico gabro* located in the Cunene, featuring several resources, including black granite; and the geological structure of the Lucapa, with occurrences of diamonds, extending to the West of Angola.
A SUPPORT UNIT FOR PRIVATE INVESTMENT

The Ministry offers the following services to investors:

- Receipt and monitoring of all private investment projects
- Negotiating private investment contracts which, under Angolan law are the responsibility of the Minister
- Administrative assistance relating to all aspects of the investment, including the application of benefits and tax incentives, as well as respective sectorial licensing
- Participation in seminars and workshops on private investment matters
- Management of databases on the status of private investment projects as approved by the Minister
- Interfacing with all the relevant government ministries involved in the implementation of private investment projects.

WHAT WE DO

The Ministry of Mineral Resources and Petroleum is the national directorate responsible for:

- MINERAL RESOURCES
  The promotion, follow-up and orientation of geological and mining activities, as well as for the preparation of the processes related to the licensing and georeferenced registration of exploration and exploitation of mineral resources in Angola.

- PETROLEUM
  Promoting the execution of the national policy on oil and gas, refining, petrochemicals and biofuels in the national territory.
• MARKETS AND COMMERCIALIZATION
Implementing the national policy on the commercialization of mineral products, crude oil, gas and biofuels, as well as for the licensing of the activity of distribution, storage, industrial treatment and marketing of petroleum products and biofuels.

• DEVELOPMENT OF THE HUMAN RESOURCES AND CHAIN OF VALUES
Promoting the recruitment, integration, training and development of Angolan personnel in the mining and oil industry and the participation of companies in the different segments of the activity.

• INDUSTRIAL SAFETY, QUALITY, EMERGENCIES AND THE ENVIRONMENT
Promoting and ensuring the implementation of the national and sectorial policy on industrial safety, management, prevention and control of emergencies and environmental protection in mining, oil and biofuel activities.
KEY ENTITIES

ENDIAMA, EP is a state-owned company which holds the exclusive rights for research, exploring, mining, trading, and polishing of Angolan diamonds.

In 2017 it produced 9.439 million carats from its extensive kimberlite and alluvial projects, earning revenues of US$1,102 billion. The company is among the five largest producers of diamonds in the world, and has become a leading role player in the economy and the development of the country.

The Endiama group has seven subsidiaries, namely Endiama Mining, Enditrade, Hotel Diamante, Alfa5, Sagrada Esperança Clinic, Brilhante Foundation and the Sagrada Esperança Sports Group.

Its role is to contribute to the rapid and consistent development of the diamond industry in order to increase value in the context of a cluster of mineral resources and the diversification of the national economy by attracting national private investment and strategic international partnerships.

ENDIAMA, in partnership with ALROSA, recently intensified prospecting of its kimberlite and alluvial deposits in the Cuango Basin in the concession area of the KIMANG Project with the aim of assessing the potential for growth in the Angolan diamond industry.
The company is also engaged in prospecting activities at the *Luaxe* Kimberlite which is Angola’s newest and most exciting deposit. Discovered in 2013, the geological research points to reserves evaluated at 350 million carats and a mining lifespan of 30 years, with the potential to double production within the next five years.

Endiama EP has also identified potential concessions in the kimberlite-rich zone of Lunda Sul and Lunda Norte, including the Catoca kimberlite and the alluvial operating deposits.
## Angola’s Diamond Production

### Angola Diamond Trading Performance, 2005 / 2017

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<tbody>
<tr>
<td>1. Production</td>
<td>7,276,521</td>
<td>8,123,664</td>
<td>8,731,796</td>
<td>8,818,806</td>
<td>9,328,271</td>
<td>8,382,196</td>
<td>8,278,516</td>
<td>8,558,666,71</td>
<td>8,796,345,01</td>
<td>8,921,408,07</td>
<td>9,430,001,67</td>
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<td>2. Average Price</td>
<td>135,91</td>
<td>126,21</td>
<td>135,10</td>
<td>136,81</td>
<td>87,06</td>
<td>118,155</td>
<td>130,40</td>
<td>135,28</td>
<td>139,36</td>
<td>149,86</td>
<td>131,12</td>
<td>115,03</td>
<td>107,42</td>
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<td>3. Gross Revenues</td>
<td>1,085,993,521</td>
<td>1,142,393,289</td>
<td>1,271,899,153</td>
<td>1,211,296,037</td>
<td>896,147,505</td>
<td>987,486,485</td>
<td>1,132,823,478</td>
<td>1,170,222,042</td>
<td>1,183,844,174,81</td>
<td>1,171,459,271,46</td>
<td>1,182,415,537,71</td>
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### Production (Carats) vs Revenue (US$) 2005/2017

![Graph showing Production (Carats) vs Revenue (US$) 2005/2017](image)
Additionally, for investors seeking to share in the wealth of the Angolan diamond industry, there are five available kimberlitic projects, namely Camafuca-Camazambo, Mulepe, Chiri, Sangamina and Tchegi, as well as four alluvial concessions at Muanga, Cabuia, Sanjungo and Muriege.

Endiama is also responsible for monitoring and controlling mining activities in accordance with contractual agreements and regulatory obligations to ensure diamond revenues continue to drive sustainable development in local communities.
INVESTMENT OPPORTUNITIES IN THE ANGOLAN DIAMOND INDUSTRY

Kimberlitic Province of Northeast available Kimberlites

R.D.C.

MAP OF KIMBERLITES

Sangamina
Grade = 0.37 Cts/Ton

Mulepe
Surface = 11.6 ha
Carats = 5,574,000 Cts
Grade = 0.08 Cts/Ton

Camatuca Camazambo
Surface = 160 ha
Carats = 23,239,000 Cts
Grade = 0.111 Cts/m3

Chiri
Surface = 75 ha
Carats = 69,000,000 Cts
Grade = 0.15 Cts/Ton

Lunda Sul
Map of Secondary Deposits
Global connections

Main exports destinations for Angolan diamonds

- USA
- CHINA
- BELGIUM
- ISRAEL
- DUBAI
SODIAM, EP is the national diamond trading company of Angola. It was declared a State-Owned Enterprise (SOE) in 2017, and a new board of directors appointed. It is the exclusive trader of all diamonds produced in Angola and is tasked with the implementation of the Diamond Trading Policy which aims to promote transparent trading practices. SODIAM is responsible for marketing Angolan diamonds internationally and is in the process of reviewing the current selling model to ensure a more competitive model that will in turn attract investment into the diamond mining sector.
FERRANGOL, EP is a state-owned company tasked with unlocking the mineral potential in sectors other than the diamond and petroleum industry. Its focus is on attracting strategic partners with the requisite know-how and funding to develop a number of pipeline projects in the iron ore, manganese and gold space. It currently has three major projects:

- The Kassinga iron and steel project – a large-scale concession area with strong historical production rates comprising over 2 billion resources and serviced by a rail and road network as well as two airfields. Housing and infrastructure is in place with electrical power from the national grid on track for delivery in 2019.

- Kassala Kitungo iron ore project – an advanced conceptual study indicates total resources of 217 Mt. Based on an iron ore grade of 30% and a stripping ratio of 1:18, the annual production estimate is 6 Mtpa.

- The Mpopo gold project – a joint venture between Ferrangol and private investors aimed at developing an open pit mine near Jamba with the first phase expected to produce some 22 000 ounces per annum. It is the first gold project in Angola since independence.

- FERRANGOL is also actively seeking investors in GEOANGOL, a state of the art geo-analytical lab opened in 2015 to support the PLANAGEO program. This public-private partnership situated in Luanda is the first of its kind in Angola. GEOANGOL offers a full service offering to prospectors and investors, from drilling and sample lab analysis to sample prep and beneficiation, geo-chemical analysis, and technical and professional training.