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ISSUE 5

A Word From The CEO

Lachlan Spicer



Welcome to Globe's fifth edition of our HR Newsletter written specifically for Human Resource professionals working in the global mining industry.

The focus this quarter is a little different to those in the past as we have dedicated it exclusively to the African Mining industry thanks to some great insights, knowledge and experiences we've had over the past few months from our African-focused HR Consulting team.

We're really excited to share this newsletter with you as Globe's relationship with Africa goes all the way back to the very start in 2003 where we conducted our first HR assignment at the Chirano

Gold Mine in Ghana. Over the past 16 years, we've been incredibly fortunate to support well over 130 African-based companies across a range of Human Resource areas and while we have seen and done much, it certainly feels like mining in Africa still has the best yet to come.

Africa is a resource-rich continent and from a HR perspective, I believe it too to be a 'resource-rich' continent. I have found that the people who dedicate their careers to the mining industry are incredibly capable, very eager & willing to learn and desire to see growth in both their personal careers and their own home country's future. We definitely share Africa10's vision,

as you will discover in this newsletter.

I was fortunate to spend a few days recently at the Africa Down Under Conference in Perth, WA where there were many accounts of the collaboration taking place between Australian mining companies and African countries. These partnerships translate into benefits for all involved including employment opportunities, social & community wellbeing and a general improvement of living conditions. I don't think I've ever met anyone in Africa that doesn't want to see their own, and their family's lives improve and the mining industry is a great vehicle for this to happen.

This 'Africa Special Edition'

offers great insight into the African market and I trust that you will pick up some gems as you read through. Thank you for subscribing to our Newsletter - we appreciate your continued commitment and look forward to spending time with you as we turn the corner towards 2020.

Please be safe & productive in everything you do and as always - enjoy the read!

Sincerely

A handwritten signature in black ink that reads "L Spicer".

Lachlan Spicer
Chief Executive Officer

"Africa is a resource-rich continent and from a HR perspective, I believe it too to be a 'resource-rich' continent"

African Mining Projects: Executive Interviews

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Base Resources Executive
Interview with Tim Carstens,
Managing Director



Tim Carstens, Managing Director

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The Company operates the established Kwale Operation in Kenya and is developing the Toliara Project in Madagascar. Base Resources is an ASX and AIM listed company.

AP: Hi Tim, I appreciate you have a busy schedule so thank you very much for taking the time to meet us. Would you share with us your vision for Base in the next few months and next few years?

Tim: The objective has always been to build a meaningful company the right way from the bottom up, and that's still the case. We see ourselves becoming a multi-operation company with a pipeline of project opportunities that will deliver a high level of quality earnings that is acceptable to our shareholders. We set ourselves the target of being the

first thought-of mining company when people are considering truly successful resource development in Africa. That sort of principle shapes everything we do, and it's kind of an enlightened self-interest approach, if you like. Because we understand that if people see us that way, Governments will invite us in, communities will invite us in, the best employees will seek us out, and that's very much the philosophy that guides how we go about what we do. It's a vision that permeates every corner of our organization.

AP: To be the first?

Tim: Not necessarily the first, but the first thought-of and to be the company that people are thinking about and talking about in the way we go about what we do.

AP: How does this translate in the short term?

Tim: In the immediate term, it's obviously optimising our Kwale operation, looking to extend the life of this operation as the single biggest value lever we have now that we've got it humming.

Secondly, with our foot on what we think is the best undeveloped mineral sand asset in the world, it is continuing to progress our Toliara project in Madagascar,

following the 'Base Way'.

But also keeping ourselves alive to opportunities out there to, I guess, see what comes next. We've got a multi-level sort of approach to it. Obviously, we think Toliara is the best way to unlock value, but we can also see other opportunities which could certainly add to the portfolio over time.

AP: The 'Base Way' is an expression that I've heard quite often, working with you guys. How would you define it?

Tim: In several terms, the 'Base Way' as we call it, is kind of our overarching core ideology. It's what we believe in, in the way that we design our organisation, in the way we expect people to behave, in the way we work and interact with each other.

It's built around four basic elements – the first is the potential of people, the second is the power of the team, the third is the value of resources and the fourth is absolute integrity. There's obviously a whole lot of descriptive material under that explains what we mean, but fundamentally, it's a strong belief in those four things and the way we harness all that together into the 'Base Way' ideology. So, it really is a badge for our culture.

“It’s one thing to develop a mine and a mining operation, it’s another thing entirely to transition to a second asset and not take your eye off the ball”

“In Madagascar, we are at about 28% female employment. We are being reasonably successful in that”

AP: *Tim, you’ve been with the company for 11 years, so this might be a bit of a tricky question, but what has been the highlight for you during this time?*

Tim: I think the highlight for me thus far is being in the position to capitalise on what was a really successful development at Kwale, and the business model we’ve been able to refine around that. Capitalising on that and taking the next big step into our second asset. You know, it’s one thing to develop a mine and a

mining operation, it’s another thing entirely to transition into a second asset and not take your eye off the ball. This and the fact that the ‘Base Way’ really has become the fabric of our organisation, is enormously satisfying.

AP: *You have an asset that you capitalised on and you have a project that you’re developing. Do you see synergies in between operating a project in Kenya and developing a project in Madagascar?*

Tim: There are many, many synergies. Starting at a very practical level, the processing facilities at Toliara are going to be very similar, in many ways, to what we have at Kwale, so the ability to refine what we did at Kwale, itself a very successful operation, to take those learnings into what we’re doing at Toliara, is enormously valuable.

The whole team who helped bring Kwale into being are still with the organisation, and quite a few of the expats who were trained

up there, have been seconded from Kwale, replaced by Kenyan employees and are now working on the Toliara project. So, we’ve got strong institutional knowledge about what made Kwale a success.

The second thing is quite a refined business model for operations in Africa, particularly around early training and development, and how we develop the skills we need in areas where those skills aren’t already there. It was a bit different in Kenya, while there was a high educational standard, there was no history of mining, so we had to develop those skills. In Madagascar, it’s almost the opposite, where there are a couple of large mining operations that have been running in the country for some time. So, we have been able to secure some of the mining skills, but the general level of education is lower, consequently we’ve had to do a lot of grassroots training.

We’re still two and a half

years away from operations there and we’ve already started all the training programs for operational skills. We have around 25 apprentices who we have selected in Madagascar that are going to go work in Kenya for the next couple of years, completing their qualifications, but also understanding how we do what we do, in the ‘Base Way’ so to speak.

In short, a lot of synergy there, being able to take people to Kenya to understand what we do and how it’s being done and also being able to bring out the team from Kenya. We are now starting to bring some Kenyans out to Madagascar. It represents a huge opportunity for them and us. The Government of Kenya is quite excited about the fact that Kenya is now exporting mining expertise.

There’s also some good learnings from the Kwale experience. A good example is our labour recruitment system which actively biases employment

opportunities to people around the mine site. It has a multiple effect, first it ensures that you’re maximizing local employment by only progressively stepping out when you can’t find those skills immediately around the mine site. The other thing it does is managing influx, which is always a problem with a mining project when you suddenly get what seems like this big economic centre of gravity coming into an area. With our approach, you are eligible to be prioritised for employment only if you are actually from that area as signed off by the local administration,

In Kenya, for example, we’ve got around 1,000 people employed at the operation. Right now, 98% of those employed are Kenyan and almost 70% are from Kwale County. Now in the context of never having had a mine in Kwale County, it’s not a bad effort, that represents 700 jobs. When you consider the



Base Titanium Employees - Kwale, Kenya



Antananarivo, Madagascar

multiplier effect, which in Kenya is about 5 to 1, you are now talking about a very significant number of jobs getting created.

These have been some of the learnings, there is a number of others, such as the way we engage with governments. It's a whole business model that has been refined around Kwale.

AP: What type of programs and initiatives do you have to attract local workers and women, as this is often an issue in these areas?

Tim: Yes, it is definitely one of the challenges when you're building a mining operation. The primary focus for us is maximising local employment. That has to be the overarching objective. Then trying to maximise the opportunities for women within that requires a slightly more difficult focus. We have been reasonably successful in Kenya, where the latest statistics are about 18% female workforce.

In Madagascar, we are about 28% female employment. We are being reasonably successful in that. Where we try hard is at the graduate and trainee intake level, where we set our target at 30% intake and about 33% of current intakes are female.

The other thing we do is to create greater opportunities for women in our procurement chain. We are currently conducting research in Kenya on this, and I think some of the learnings out of that will become useful as we progress Toliara.

Regarding programs and initiatives to attract local workers, as mentioned above we have a number of traineeships underway. The best part of 1,000 people have been selected for traineeships out of about 5,5000 people that were registered. We have gone under a transparent, fair and efficient process to establish this, with Globe 24-7 being heavily involved in it.

Also mentioned earlier, we have an apprenticeship program

to Kenya, we've completed the first round of full cycle training for heavy equipment operators, where we took some 20-odd people from absolutely no background in heavy machinery, ran them through an aptitude and training program through our CAT simulator, then we got those people into machinery, working on community projects, and now these people are qualified and quite competent driving this heavy equipment. We do have quite a few things going at the moment.

AP: What I find absolutely stunning is, so you take people of no previous experience, you train them, employ them and there you are with a LTI at zero. How do you explain that?

Tim: A lot of focus! Safety has become such an ingrained part of our culture. In Kenya, we haven't had a loss time injury since February 2014, and we haven't had a medically treated injury for about 2.5 years now.

So, it really is a critical part of the culture of the organisation, and we don't step in any direction unless we're comfortable with the safety aspect and that we're on top of all of the cultural aspects.

Our safety approach is one that's not overly systematised – we have a system, but we don't rely on the system to keep us safe, that's absolutely a personal obligation of me to keep myself safe, and those around me. We use the system to help us do that, but we all take the accountability for safety.

AP: Still, how do you go from no safety culture to zero LTI?

Tim: It is an exercise in constant reinforcement. When people see the extent of the training they get to begin with, they say "hang on a minute, this is different". Then anybody in the organisation is authorised to stop any activity if they believe it is unsafe. It's a phrase that a lot of us use, and you'll hear it in other organisations, but you have to do it rigorously. All of us are always on alert. We are just constantly reinforcing this, at all levels. There's no magic to it, it's just the right mindset in the organisation and constant discipline around reinforcement.

We are also aware that we are just one step from that all

tumbling down again, all it takes is just one event to unravel that. We're not so overconfident that we think we are not that close to having a problem, we're always on alert and thinking about it.

AP: So, people feel comfortable reporting incidents?

Tim: That's one of the first things that most people think, and it's also something that we're very alert to. Nobody here has ever worked somewhere that has this kind of record. Are we missing something here in terms of the culture we've created? We are so alive to that, but I just don't think it's there. You know, we certainly question ourselves on things like that.

AP: In terms of working in an African environment and

looking at your past experience, do you see any specific people challenges linked to this specific environment?

Tim: One of the biggest challenges you'll always have with a mining project, particularly in Africa is that you can never employ enough people! Everyone wants a job. When you come in with a mining project, you create huge expectations, and everyone thinks they're going to be one of those employed. Managing these expectations is one of the biggest challenges.

I think that one of the biggest traps that people sometimes fall into is that it's always easier on the way into an area to overpromise about what this will mean to people. It's the path to least resistance. Certainly, from my experience,



Toliara, Madagascar

a community's expectation starts high, and they just get higher. You must take the harder road and manage expectations around jobs from the start.

Another key issue is finding the basic level of skills and education that you need when you're in a remote, or less developed part of a country. That's why 2.5 years out we are investing in training programs to get the skills we need by the time we are ready to go.

The biggest risk is if there is project delay, frustration sets in, people may become a bit cynical about it. But the reality is if you want the skills you need, you have to start this early. Getting a project up and running is a process that requires time.

AP: Do you think being an Australian company presents some more

opportunities or challenges to operate in the African environment, or do you think it has nothing to do with that?

Tim: I believe it's absolutely an advantage. Australia does have a very good reputation in Africa, with African Governments, with communities, in relation to its performance in mining. It is regarded as being the pre-eminent mining expert.

We have certainly found we have been welcomed with open arms as an Australian company in Kenya and now in Madagascar, as they see us as utterly credible as an Australian company. In fact, when we were looking at branding in-country, we were very strongly advised to play up our Australian base.

The other thing that helps is the Western Australian Department of Mines and Petroleum running

support programs and training programs for Governments.

You know, we wear our Australian brand as a badge of honour in Africa.

AP: I don't want to take too much time, I think we've passed the half an hour mark, do you want to say a word about how see the market for mineral sands in the coming years and how this is coming to fit with your predictions?

Tim: Our acquisition of Toliara was informed by a very clear view that we are heading into a structural short supply of mineral sand products. There is a need for new supply and we want to put ourselves at the front of the queue for that next supply development with the right asset, and we think we are there.



Toliara Sands, Madagascar

Triton Minerals Executive Interview

Peter Canterbury, Managing Director



Peter Canterbury, Managing Director

Triton Minerals Limited (ASX Code: TON) is an ASX listed emerging graphite producer with three world class graphite projects in the Cabo Delgado region of Northern Mozambique, arguably one of the world's best locations for graphite.

Triton's primary strategic focus is production from its Ancuabe Graphite Project. Early works activities are underway, and construction is scheduled to commence in the first half of 2020 with first graphite production in mid 2021.

Triton is also targeting commercialisation of its Nicanda Hill Project, the world's largest combined graphite and vanadium deposit.

AP: Peter, thank you for your time today. You have been travelling quite a bit recently.

Anything exciting on the horizon?

Peter: Yes, for us, the next 6 months are really pivotal.

A lot has been achieved over the past 2 years; with the Ancuabe project ready to go into a construction phase. We completed the DFS in December 2017 and we've secured off-track agreements for 50% of the production. Its fully permitted now, with environmental and mining concessions, and we signed an EPC contract with MCC International. So the next big thing for us, as announced in late June, is a deal with a Chinese Provincial SOE called Jinan Hi-Tech to come in to take a 34% stake in the company, subject to shareholder approval, which is scheduled for 27 September 2019 should happen at the end of September.

They'll inject about \$8.5m into the project. But the fundamental element is financing support. They will assist with over US\$70m of funding.

We are also having a number of discussions with

other groups where we'll easily be able to get the remainder.

We're now in a fully funded stage, and it's just a matter of getting shareholder approval for this transaction. The next step is therefore to mobilise, later this year or early next year, and give the notice to proceed to MCC, and then get building!

It's an 18-month construction period and so by early parts of mid 2021, we are looking to go into production. Ancuabe is a 60,000 ton per annum, high-grade, large graphite project: we are due to be the next large-scale graphite producer and we can further expand into the high-grade expandable graphite market. Very exciting.

AP: Peter, in these busy couple of years, what have been the highlights, from your perspective?

Peter: Certainly, the fact that we've been able to take a company that was in voluntary administration when I joined



Ancuabe Graphite Project. Courtesy: Triton Minerals

out of this situation and to really progress and fast-track the development of its assets.

We've been able to do it promptly: we came out of voluntary administration in December 2016 and did all the necessary studies during 2017. Permitting took a bit of time, but we've now taken a project from 2.5 years from nothing to being permitted ready to run, and now to have financing and a very clear path to go and ready for construction.

A highlight is to have in place a board and management team who are very focused. One of the best things I ever did was to get onboard a project manager who was a metallurgist to get us back on track. She drove it very hard,

without compromise and got us credibility with her metallurgical work. When a company comes out of voluntary administration, they aren't going to have a lot of credibility and we've taken that to a new level. Working with really good people is definitively a highlight.

AP: How do you see the graphite market in the coming years?

Peter: Expandable graphite will be in high demand, another reason for us to be excited. Estimates say demand will be around 1 to 2 million tonnes in the next 10 years, and currently there's only about 50,000 tonnes produced per year.

Very little of that can come from China in the future, as

they are running out of large flake graphite which is needed for expandable graphite, and a lot of the other projects that are capable of supplying that in Africa are located in Tanzania which has as of today, some significant development challenges. Whereas being in Mozambique is quite good because we have a fully supportive government in place.

In short, we're in a really good position to benefit from these market conditions. We have really supportive shareholders that have helped us finance the project and move forward, we have a government that's supportive and wants us to build, and we have a constructor who wants to build, and we also have

people who want our product!

AP: Is the environment in Mozambique favourable to your project and other projects in general?

Peter: Without being too parochial on this, my experience in Mozambique compared with several of the other countries I've had experiences in is one where the government is supportive. They have a second-generation mining code that is fully in place, you've got two graphite mines already operating there, you've got a coal mine created by Vale sitting there. South32 have an aluminium smelter running, and you have 2 large LNG projects going on.

The government can see a path to getting employment and income

into the country by supporting development. It is not perfect, a bit slow, but it's just inefficiency rather than anything that we may need to be concerned about. They're under resourced and don't have good systems in place yet to get up and support the development that's going on. But you have good legal firms sitting in country, with alliances with large legal firms and the large accounting firms. So, the framework in Mozambique is favourable.

AP: You mentioned a few operating mines and a few projects going on in Mozambique. Do you think that feeds a talent pool you can recruit from or is it a risk for you?

Peter: It's a bit of both actually.

With the gas projects coming on, there will certainly be a drain of the talent pool. But there are a lot of skills in Mozambique, we currently do not have any expats in our workforce. We've got some good local communities where we've employed from. Look, it's an unskilled level, or a semi-skilled level, but part of our vision is to have training programs to maximise local employment.

AP: Do you have any programs or initiatives to select, train and develop people from these communities?

Peter: As part of the social development program, we did surveys and sessions with 5 local villages that surround us. We've done a survey on skills; we've talked



Balama South Project. Courtesy: Triton Minerals

“Expandable graphite will be in high demand, another reason for us to be excited”

with communities about the project and we have now a consultation process going to assess what they expect to get out of this project.

Employment is certainly one, we've built a skills database and we've made a commitment to maximise the local workforce. We've also talked to village chiefs about having a diverse workforce in terms of supporting women, and how best to do it. It is part of our requirements that each of our contractors makes a commitment to the training and development of local staff.

AP: You seem quite optimistic about finding the people you need with the right skills or trainability to have the right resources for the project. One challenge would maybe be at the community level to have a transparent vetting process that satisfies everyone. Do you see any challenges in the people space that are specific

to the African environment, or the country you're in?

Peter: There will always be challenges, communities or authorities might try to nominate who they want to be employed and we'll need to ensure that we employ equally from the different communities, etc. It's all about transparency, we've communicated how many people we're going to employ and what are the skills profiles and requirements. Sure, we'll eventually need consistency in the vetting process. Some of it will be put onto our contractors, as we may well do a contact mining process. It's not just the skills, it's also going through the health screening, medical screening checks.

The other challenge will be to bring other Mozambicans into what might be seen as the 'good jobs', for example professional, skilled or supervisory jobs. Part of mitigating this is to have training programs that'll develop

people over time, and what we've explained to the people is that this is a long project, so it's not for them, it's really going to be for their children and to allow them to develop the necessary skills.

AP: From your perspective, what are the strengths and weaknesses of the Australian mining sector for that kind of environment?

Peter: The skillsets are there, there are a lot of people with experience in Africa and there are companies that have the right experience and knowledge. When you're a junior, you're never going to have the skills sitting in your company, you need to have good partners, good contractors who can bring that skillset to your organisation when you need it.

Another strength is that Australians are always very determined in what they do, even if they don't always understand the jurisdictions they go into,

“A highlight is to have in place a board and management team who are very focused”

and what are the nuances of operating in a different place. I think that's getting better.

The Australian Government has been good at engaging with other countries and understanding the development framework. This definitely helps with governments' goodwill.

But I also sometimes feel it's getting harder and harder. The regulatory environment becomes difficult from an equity market perspective. I do have sympathy for the regulators in what they're trying to achieve, but the implementation is becoming increasingly more challenging to raise funds based on the regulatory environment. It's become a lot harder to get funds and it's harder and harder to actually tell the story and vision, outside a purely fact-based communication.

Part of the junior exploration phase is selling a vision and delivering on it and based on the credibility of the company.

If you're not able to sell that vision, it's hard to obtain funds for doing it. A challenge I enjoy!

AP: Anything you'd like to add?

Peter: I would like to highlight the importance of contractors. That's the real thing people need to understand. You don't need to have everything sitting in your organisation. Lean organisations are better at doing this work. The challenge is to identify who are the people or organisations with the capabilities to best support your business. We've used 20 to 25 different contractors through various processes, studies, approvals. Then you get into a construction and operation phases and this is where Globe 24-7 comes in and helps assist us with the HR framework or the recruitment processes. Globe have been able to offer expertise, support and assist us with implementation throughout the recruitment processes, the training processes etc.

At this stage, the issue is that you can't have big programs, as the revenue cannot support that, but we're able to utilise people with the experience who can roll out programs, even if there may be some tailoring required, and you learn to live through the capabilities of your contractors and work with them.

Big organisations tend to think they have all the skills within their organisation. We know we don't, so we get the right people to come on board. Having local understanding is really important.

AP: A last word?

Peter: Everything is in place, all the dominos are in place, it's just a matter of pushing that button now, and then go constructing! Let's build this thing!

BlackEarth Minerals Executive Interview

Thomas 'Tom' Revy, Managing Director



Tom Revy, Managing Director

BlackEarth Minerals NL (ASX: BEM) is an ASX listed company. It has identified growing trends in graphite demand, and targeted assets around the world rich in specific types of high-value graphite. It is currently focused on the development of its 100% owned Madagascan Maniry and Ianapera graphite projects

AP: Hi Tom, thanks for meeting us today, it's much appreciated.

I would like to start by commenting on BlackEarth impressive progress since your listed in 2018. What is next? Please can you share with us your vision for BlackEarth Minerals in the short and long term?

Tom: Our clear strategy since

listing some 18 months ago on the ASX has been to take the company to cashflow as soon as responsibly possible. That means we needed to focus on those key elements, that underwrite the success of any resource project. That's been our approach to date: to look at our assets with a project development mindset from the earliest stages rather than as an explorer.

So, our short-term vision is to complete our feasibility study over the next 12 months (August 2019), and to set the foundations with all stakeholders to be able us to enter into an EPC contract soon thereafter.

Our longer-term vision is not to have the largest resource nor the biggest annual production of graphite, but rather to get the Maniry Graphite Project into cash flow as soon as possible; history has demonstrated that's what truly rewards shareholders.

AP: What has

been the highlight for BlackEarth Minerals so far?

Tom: I think our biggest single accomplishment to date, has been the successful delivery of our stretch targets or milestones, to date. When we listed 18 months ago, I believe we were some 4 years behind many of our peers in the graphite space. Today, we are on par as far as development goes and in 6 months, I believe we will be in front – that says a lot about the team we have assembled both here in Australia and of course our team in Madagascar

AP: What challenges and opportunities lie ahead with regards to the graphite industry over the next few years?

Tom: Ignoring what the overall market could do which may provide its own set of challenges and opportunities, I believe certain areas of the graphite market will truly excel over the next 3+ years; namely the

battery market from a demand perspective and the expandables market from both a demand and positive pricing perspective. The traditional markets of refractories, re-carburising and lubricants will probably only experience a moderate increase in demand.

The batteries outlook for cars, bikes and storage is very positive, currently largely driven by China. Some authorities believe we have already hit peak petrol vehicle production globally as the world turns to electric vehicles.

The big market for us is the expandables area – the industry that supplies material into fire retardants, thermal management

in consumer electronics, flow batteries and fuel cells as well as high end gaskets. Our coarse flake product has already been tested for such use with positive results. This is the area we believe will be the most lucrative for us moving forward

AP: Moving onto where your flag project is situated, what strengths can the Australian mining sector build upon to promote and develop projects in Africa?

Tom: Australians have a long and successful history of exploring, developing and operating mining projects in

Africa. We have two main points in our favour; the first is our Aussie "can-do" attitude even in the most difficult of environments, the second is our reputation with all in-country stakeholders – governments, regulators and local communities. I believe that Australians have developed a lot of goodwill over the decades in Africa and this places us well for future mining developments.

In addition to that, I believe that we still have an enormous talent base of experienced and talented individuals in our industry. Sadly, I see more retiring than entering into it -I guess time will tell.



Tom Revy with BlackEarth Minerals Employee

“Africa is an extremely varied and dynamic set of countries - both how they react to events internally and how they interact with each other”

“Sourcing the right people with the right skills and experience without compromise is definitely the key to overcoming or at least minimising any challenges we may face”

AP: Black Earth Minerals develops projects in Australia and Madagascar: what are the similarities and differences from a community and people perspective?

Tom: To develop a successful mining project, you need certain key ingredients – secure land tenure, access to infrastructure, a technically and financially attractive and robust project and of course, the right people at every level.

I guess the fundamental difference between developing projects in Madagascar and Australia comes down to local politics. The outcomes required from all stakeholders is generally the same, it's just the approach that varies. Understanding that difference can mean the difference between success and failure.

AP: What challenges – in particular people

challenges - do you face or will face that are specific to the African environment?

Tom: Africa is an extremely varied and dynamic set of countries – both how they react to events internally and how they interact with each other. Add an Australian company into that mix, and people is both the problem and the answer. Madagascar is one of the poorest countries in the world, and we are operating in the

poorest part of that country. Locals want to see progress for themselves and their families. So, managing expectations is very important.

There are a lot of talented professionals in Madagascar primarily because the graphite industry has been an important export commodity for them for over 100 years. The trick will be to identify the best of the local talent pool and combine this with any necessary expat labour



Toliara, Madagascar

– the subsequent management of different cultures will be important.

Finally, there's the investors' perception of Africa and specifically Madagascar. People have little to no concept of the country, other than the Dreamworks animation from 10 years ago. Unfortunately, lack of knowledge tends to lead to a discount on the share price.

AP: How do you plan to overcome these challenges?

Tom: Planning, planning and more planning – ahead of schedule and identifying lessons learnt from others in the industry and from other projects developed in-country. Sourcing the right people with the right skills and experience without compromise is definitely the key to overcoming or at least minimising any challenges we may face.

Understanding cultural differences and expectations

and customs is also a must.

AP: What type of programs and initiatives does your organization have in place to promote and attract local employees, and in particular women, to the industry?

Tom: At the moment, we engage with the local Mayor and chiefs for our intermittent labour requirements.

As our development schedule progresses into next year, our aim is to engage with the broader community and potential third-party groups who understand how we can assist with the development of other industries in the area – positive for both men and women to be involved. These may include the areas of administration, catering, agriculture and or textiles to name a few.

Medium to long term, all stakeholders are likely to benefit from a broader range of industries in the area. It is currently

BlackEarth's aim to help facilitate these opportunities but in the long run to have them be self-sufficient.



Alain Pfammatter
Manager, Global HR Consulting
(Perth, Australia)

Kojo Annan, Africa10 Executive Interview

The Power of 10: Unlocking the Potential of Africa's Youth



About Kojo Annan
Kojo Annan is a serial entrepreneur and investor. He is currently managing Vector Global, an investment holding company with interests in infrastructure, technology, sport, education and biotech.

Kojo started his career in natural resources and infrastructure most notably by founding Meridian Port Services (MPS) in partnership with the Ghana Ports and Harbour Authority, Bolloré and Maersk (APM Terminals) to develop a modern container terminal in Tema, Ghana.

Passionate about sport and unlocking the potential of youth, he is also a founder of Africa10 (A10).

AP: Kojo, could you please tell us where the idea for the Africa10's concept originated from?

Kojo: The origin of the idea was to create a level playing field. Having lived all over the world

and extensively in West Africa, sports and football (soccer) in particular have always been a passion. I played soccer late at night on the roof tops of Chelsea Pier in NYC (New York City) and was struck by the inequality - even in the Beautiful Game - with kids back in Africa. They play often on dirt fields and can only play early in the morning, before it's too hot or between 4-6pm (then sunsets and it's dark). And here I was, playing 10pm at night on a Beautifully floodlit full-size Astro turf 4G pitch on a NYC rooftop.

Many of these young kids in Africa were - and are still - calling me to help them find a club as they chase their dream for a better life through the game they love.

Those so called "kids", many of whom I have known for over 15 years, are now grown up and have missed their chance to become a football star. Quite disturbingly, whilst chasing their dream to be the next Drogba many of them neglected their studies and thus have a very limited education at best.

This led to the birth of Africa10. A brand that could inspire, based on excellence and unity, and through which we could use Sport to have

widespread impact on education.

AP: What is Africa10's vision?

Kojo: We believe that Africa's most promising, productive and transformational natural resource is the continent's youth. This is the new generation - restless, optimistic, irrepressible and creative. This is the generation that will define Africa's promise and determine its future.

A10 exists to help fuel this generation - to unlock the potential of Africa's youth through sport and education.

AP: Where are you at with this project?

Kojo: We did a soft launch



Courtesy: Africa10

“We believe that Africa’s most promising, productive and transformational resource is the continent’s youth”

“Africa10 exists to help fuel this generation - to unlock the potential of Africa’s youth through sport and education”

a few years ago. The Chairman was my late father Kofi Annan.

Some of Africa’s greatest players of all time are our Ambassadors - JJ Okocha, Abedi Pele, Kanu, George Weah (now President Weah) and Kalusha Bwalya.

A10 has a world class advisory board including some of Africa’s leading entrepreneurs and bankers such as Tunde Folawiyo, Baba Soyoye and David Adomakoh or Rick Parry, the founding CEO and Chairman of the EPL.

On social media (mainly Facebook) we have 2.2 million followers on our two pages.

We are just commencing our first formal fund-raising process as we plan to roll out our first phase of programmes in 2020.

We have formed a strategic partnership with several leading football and sports academies that have the combined focus of sporting excellence and education on the continent.

AP: What are the next steps, to

extend the reach of this project?

Kojo: We have formed a partnership with UCFB (University College for Football Business) that does undergraduate and postgraduate degrees in the strategic, operational and business facets of the football business and wider sport and events industries.

We had our first cohort of African scholarships and are now developing that partnership to include more scholarships annually and ultimately one day soon to have a fully-fledged operational

campus on the continent.

We are also developing a youth tournament for the elite players on the African continent as a pathway to success. This will include a detailed educational impact programme.

AP: What synergies do you see between this project and the private sector, in particular the mining industry?

Kojo: Through corporate social responsibility (CSR), which is the philosophy of how a company is responsible to the society in which it is operating.

In the case of mining, the industry contributes income and economic benefits in three ways to a country, at both national and local level: 1) paying royalties for the mineral in the ground as they extract and sell it 2) paying company taxes and payroll taxes on the profit and activity level associated with extracting those

minerals 3) The economic activity of using other companies as vendors to help with mining. The more local sourcing the better.

There are other ways.

I see so much potential for folding in comprehensive sport development programs in these communities in support of social good and positive legacy. All of the evidence suggests that they make a concrete and measurable difference. Take for example the simple act of creating a football pitch. Levelling a playing field and grading it: a trivial activity for a mining company but almost impossible for a community to do on its own. Helping the creation of local teams (boys and girls), local leagues, travel, encouraging skill development, leadership, coaching, volunteerism, there are so many things to be done and that can be tied to school attendance. I tell you this works, kids go to school and stay in school and

learn. And all these activities contribute to the development of incredible life skills.

It’s also great branding and gives positive recognition, and you never know, in ten years’ time you might just have the world’s greatest soccer player or coach attend your annual general meeting as a guest of honour.

AP: Finally, if someone is interested in supporting you, finding out more, what should they do?

Kojo: They should get in touch with us on Info@Africa10.com. We’d love to hear from them!



Alain Pfammatter
Manager, Global HR Consulting
(Perth, Australia)



Courtesy: Africa10 website

Local Workforce Selection & Development

A Globe Case Study in Madagascar



In August 2018, Globe was engaged by Base Resources Ltd (Base) to develop a Local Assessment & Training Pathways Plan (LATPP) for the Toliara Mineral Sands Project in Madagascar. The purpose of this assignment was to assist Base identify and select suitable members from the mine site's neighbouring communities for future training and employment opportunities.

To complete the assignment, Globe was specifically required to:

- Develop a suite of unbiased assessment tools adapted to the local Malagasy context;
- Provide a transparent, fair and open assessment and selection process to ensure everyone who wanted to, had the chance to participate, regardless of education level; and
- Train & upskill Base's local in-country team to conduct the assessments themselves

for future candidate testing beyond the duration of this assignment.

The assignment was broken into 2 parts:

1. Part 1 – Pilot (September 2018):

The Pilot Phase was a critical first step to establish the tools, processes and schedule to successfully conduct assessments and screening of candidates from the local community. Globe sourced and/or developed tests specific to Language, Literacy and Numeracy (LLN); cognitive abilities; and basic skills-competency. Once the plan was created, Globe “calibrated” the chosen tests by conducting pilot testing with subsets of Base's existing Malagasy employees.

2. Part 2 – Full Project Execution (February to April 2019):

Based on the results of the Pilot testing in Part 1, Globe then:

- Assessed ~1,000 local candidates from the mine site's neighbouring communities in Ravens (cognitive ability), Dover (basic skills-competency measurement) & LLN (developed by Globe) to build a database of screened candidates for selection in Base's work and community training programs.
- Provided training, on-the-job practice and competency assessment for Base's local team members to become proficient and autonomous in administering and interpreting the se-lected tests for future purposes.

PROJECT EXECUTION - Pilot Program (August 2018)

Assesments

It was determined that the following two (2) assessments would be deployed and 'tested' in order to establish local norms in preparation for the larger

Assessment Program (refer Part 2):

1. The Language, Literacy and Numeracy assessments were selected to assess each candidate's reading comprehension; knowledge of language conventions; and knowledge of numerical concepts. These elements are essential across most operational roles and inform future learning pathways and delivery methods. To ensure the program's LLN's were contextually correct to Madagascar, Globe adapted the Australian Qualification Framework LLN standards.

2. The Ravens Assessment was selected as the cognitive test to be used. It was paper based, language and education background independent, and culturally neutral. Ravens is designed to measure the test taker's cognitive functioning including clear thinking, problem identification, meaning and new



Employees from one of Base's Contractors tested in Pilot Phase

insight formation, and learning capability.

Each test was then mapped to individual participants according to their education level in order to give everyone an opportunity to be fairly assessed:

- Group 1 - < 3 years school
- Group 2 - 3-6 years school
- Group 3 - > 6 years school
- Group 4 - Trade qualified

Group 5 – Graduate degree or above

The Dover Assessment is a competency measurement tool that was also selected for this project but did not need 'calibration' and so was held over to Phase 2. Dover assesses a candidate's underlying practical skills, including but not limited to hand, eye, foot and basic manual co-ordination, reaction, auditory discrimination, estimation of



speed / direction, basic decision-making abilities. Dover is a valuable tool for candidate selection as it helps to identify a candidate's suitability for certain occupations (in particularly high risk areas – construction skills). It also useful to measure a candidate's 'trainability' for jobs involving equipment handling.

Pilot Program Findings & Results
In total, 71 candidates participated in the pilot program and were tested. Testing was conducted in three locations: Tana, Toliara and just north of Mangily in order to “test the tests” in realistic conditions. Based on these results, the tests were calibrated to fit the local conditions.

PROJECT EXECUTION - Full Program (Feb to March 2019)
Globe managed the larger scale program using a team of around twenty (20) Base employees and three (3) Globe Consultants over a five (5) week window in Feb/

March 2019. The full program followed a 3-phased approach.

Phase 1 – Candidate Call Out & Registration

The Candidate Call Out was initially made to neighbouring communities which attracted 5000 expressions of interest. Base's HR team then selected a first wave of approx. 1000 people to be registered and during this process, all candidates were allocated into their respective Group (1 to 5).

Phase 2 – Candidate Testing

Over 5 weeks, 997 people were assessed using Ravens & LLN including:

- Group 1 – 77 assessments
- Group 2 – 119 assessments
- Group 3 – 397 assessments
- Group 4 – 404 assessments
- Group 5 – 0 assessments (no graduate degree level candidate applications received in close-to-mine-communities during this first wave)

Phase 3 – Candidate Recruitment & Selection for Training Pathways

The 997 assessments were recorded in a database with the top 20% from Ravens & LLN selected for Dover assessments, of which 243 were conducted. This made up 24% of the applicant pool and resulted in 135 applicants being chosen to participate in Base's various training programs.

Local Assessor Training and Upskilling

In preparation for an additional 2000+ assessments required, Globe trained and certified 14 local Malagasy workers to become proficient and autonomous in administering and interpreting the LLN, Ravens & Dover assessments. 10 were trained in LLN & Ravens, 7 in Dover and 3 in both LLN/ Ravens and Dover.

The Assessor training process was designed and organized as follows:

- Designation by Base of the individuals to be trained

- Online training prior to the commencement of the program
- Face to face training at the start of the program
- 2 weeks of observations, field training and practice on administering, marking, recording & interpreting the different test
- Assessment of the Assessors' skills and competencies (theory and practice)
- Delivery of certificates to Base's qualified 14 Assessors

neighbouring communities, with priority given to those directly affected by the project. This was a great opportunity for all applicants to be a part of Base's different training and development programs that are now being put into place for their future workforce. It also extends to wider community skills development and maximises the chances of local participation in the project, as direct employees or in supply chain functions.

INDUSTRY AND WORKFORCE CAPABILITY DEVELOPMENT

LOCAL CONTENT

During the duration of the project, over 1,000 applicants were tested for Literacy, Numeracy and Cognitive Ability. Of these, more than 240 applicants undertook the Dover tests. This left Base in a great position to choose and orient the participants from the

This assignment was much more than a local testing and selection exercise. The process and program supported Base's great work with the local communities and helped to reinforce the positive message of the company.

In the word of Base's onsite

management, the success of the program “has had a very positive impact on our relations with the community” and Globe's “professional expertise has really added credibility to the initiative”. Finally, one of our biggest satisfactions was to leave behind an autonomous and competent team of 14 local employees and contractors fully trained to administer, mark, record and interpret the different tests that have been used and will be used again in the future.

We have looked at this assignment as our chance to participate in the development of local African HR colleagues and thoroughly enjoyed the opportunity to do so.



Testing of Ravens, LLN & Dover Assessments at Toliara, Madagascar

What is Africa?

Focus on Burkina Faso, Republic of Guinea and Ghana



Many of the conversations we have been part of this year, either with CEOs, CFOs or employees on the ground, reflect on the difficulty to attract investors in Africa due to a not always accurate perception of risks. Unexpected change in governments or mining regulations, outbreaks of disease, political turmoil, civil unrests and increase security concerns certainly contribute to undermine the continent image and investor confidence. These uncertainties however need to be balanced with those happening outside Africa, either on the global stage (trade war, international tensions, ...) or closer to home where environment considerations have also created uncertainties.

Talking about 'Africa' doesn't help either as it tends to reinforce the idea of a homogenous region, affected by the same risks and gifted with

the same opportunities.

This year, among many other assignments, Globe conducted three remuneration and benefits benchmark studies for Nationals in Burkina Faso, Guinea and Ghana presenting an opportunity for us to break the talk of 'Africa' as a whole and to share some of our findings at a more local level.

GUINEA

Guinea is ranked 152nd out of 190 countries in the World Bank's 2019 Doing Business report, where the lowest ranking denotes the poorest performance and 78th on the Corruption Perceived Index. Having just recently emerged and recovered from an Ebola outbreak in 2013 that impacted the exploration budgets in following years, Guinea still faces a difficult socioeconomic and political situation, with frequent incidents of general strikes and violent protests, especially during election periods. The risk of future violence

is also present for the anticipated presidential elections in 2020, with plans to amend the constitution to allow of a third presidential term.

On a more positive note, the international community has been active in supporting justice and security sector reform efforts in Guinea and Guinea's mining sector is a key driver of economic growth and continued to expand rapidly with new players and new projects. This supports, with agriculture, a firm real GDP growth.

Our study demonstrates that remuneration practices are relatively consistent amongst the producing mine sites involved in this benchmarking exercise in Guinea. High salary increases and a variety of allowances are a feature, with the prospect of that continuing under a competitive mining market and a sometimes-robust union movement. The need to develop and improve the capabilities and experience of the local mining workforce also come

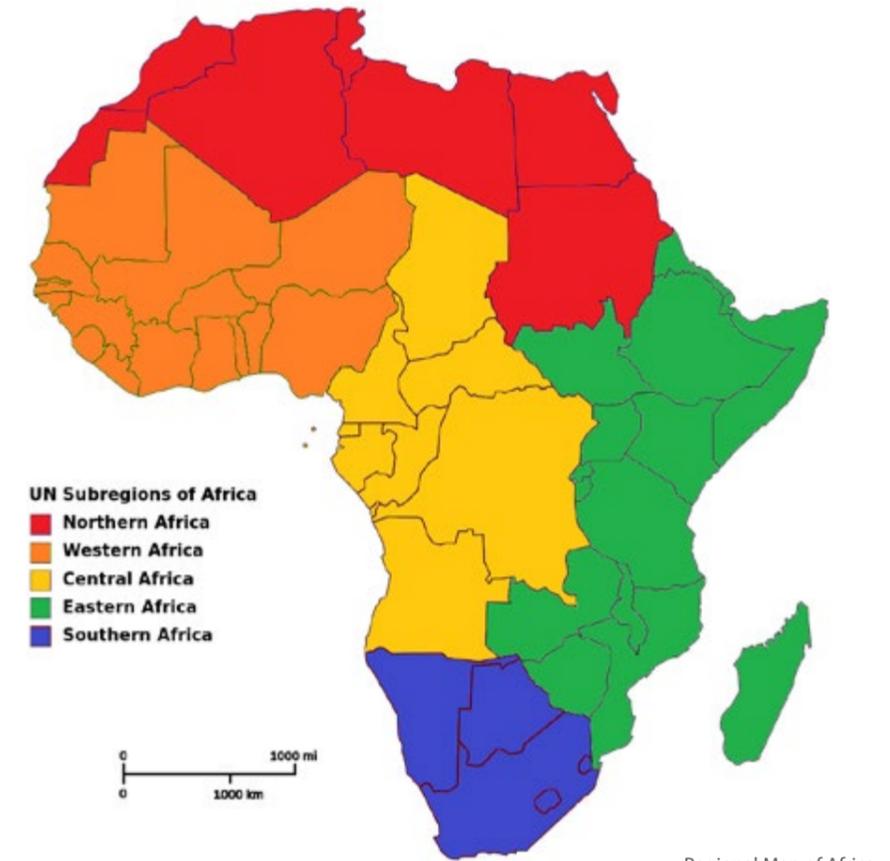
has a strong theme in a market not yet mature.

GHANA

Presenting a very different face, Ghana experienced a successful transition after the general elections in December 2016 and continues to be one of sub-Saharan Africa's most stable democracies. The country has no recent history of terrorism and the threat of international terrorism is generally considered as low.

Driven by the mining and oil sectors, Ghana's economy grew by 8% in 2017, making it the second-fastest growing African economy (5.6% in 2018). In addition to the impact of the oil sector, gold output was high. Ghana recently took over South Africa as the first gold producer of the continent and exploration budget in the country has increased by almost 60% between 2016 and 2018. New players in the north of the country, such as Cardinal and Azumah, could open a new page in Ghana's gold future.

This is not to say that mining companies don't face challenges. Among them, environmental concerns and allegations of labour rights abuses by mining companies have caused levels of local activism to increase in some



parts of Ghana.

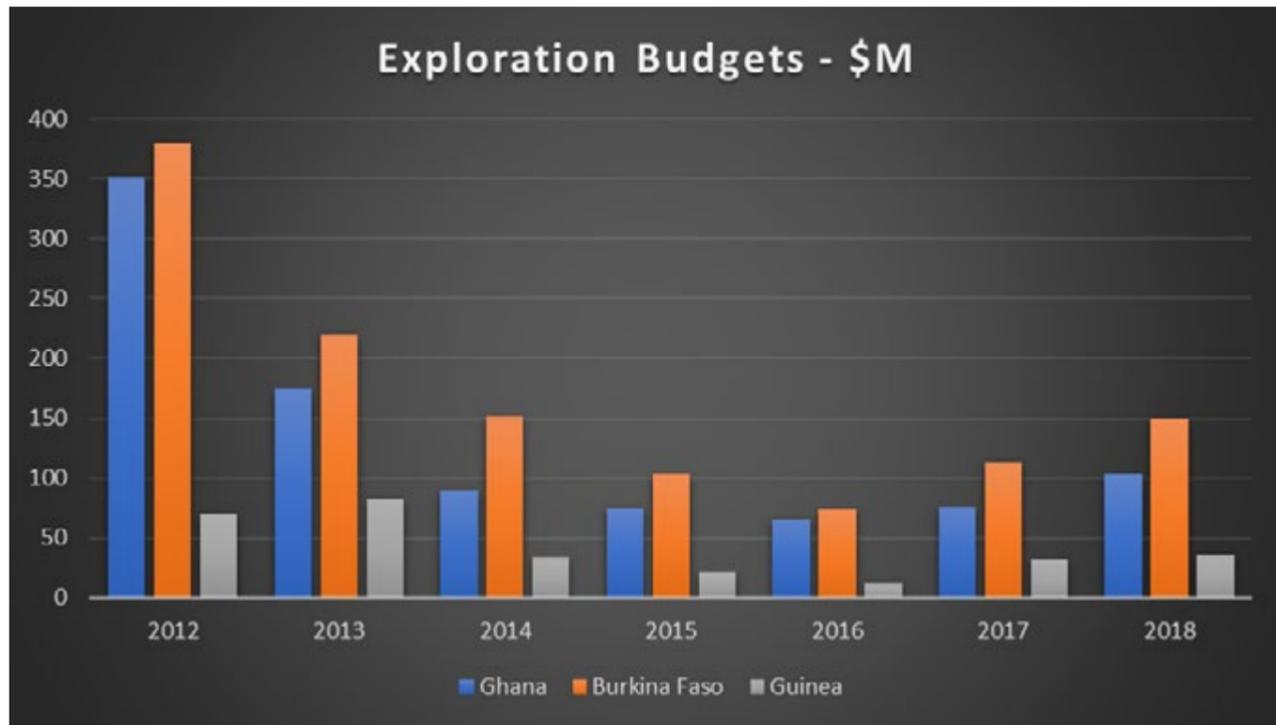
Still, Ghana remains a mature and stable environment for mining companies, reflected in the availability of local skills and expertise as well as in the remuneration structures in place.

Indeed, the study in Ghana has reflected a generally consistent approach to the main compensation features such as Base Salary and Short-Term Incentives but also to many of the employment benefits. Most participants in this survey do not expect major changes from previous years in their approach to remuneration, benefits and employment conditions

BURKINA FASO

Burkina Faso has been experiencing increasingly challenging security conditions and the country has entered a cycle of more frequent terrorist attacks and/or community related incidents. In December 2018, a state of emergency was declared in several provinces, and in January 2019, the ministers of defence and security were replaced following a cabinet reshuffle. In part because of these downside risks, the country and in particular the mining sector, is hampered by the difficulties of attracting sufficient investments.

These conditions are reflected



Exploration Budgets of Burkina Faso, Republic of Guinea and Ghana 2012 - 2018

in the results of our benchmark when compared to the situation two years ago, with salary increases lower than what could have been expected.

The country however remains an attractive destination for some companies and investors. Burkina Faso has a significant cohort of operating mines, near completion projects and an exploration budget that has also doubled between 2016 and 2018. The country still presents a competitive and vibrant labour market for mining workers.

Three Sub-Saharan countries, three different contexts. QED. And a common point as we, at Globe, certainly share Africa10's vision: "We believe that Africa's most promising, productive and transformational natural resource

is the continent's youth. This is the new generation – restless, optimistic, irrepressible and creative. This is the generation that will define Africa's promise and determine its future".

Alain Pfammatter
 Manager, Global HR Consulting
 (Perth, Australia)

NOTES:

1. Source for Exploration budgets: S&P Global Market Intelligence. The nonferrous exploration budgets covered by S&P Global Market Intelligence include spending for gold, base metals, platinum group metals, diamonds, U3O8 (coverage initiated in 2007), silver, rare earths, potash/phosphate, and many other hard-rock metals, but specifically

exclude exploration budgets for iron ore, coal, aluminum, oil and gas, and many industrial minerals.

2. The Doing Business Report does not measure the full range of factors, policies and institutions that affect the quality of an economy's business environment or its national competitiveness. It does not, for example, capture aspects of macroeconomic stability, development of the financial system, market size, the incidence of bribery and corruption or the quality of the labour force. See www.doingbusiness.org

3. The Corruption Perception Index, by Transparency International, ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople. See www.transparency.org/research/cpi/overview



Globe in Ghana

WaCA Mining Conference & HR Roundtable

1st - 10th October, 2019



Ever present on the continent, Globe's African Business Development Consultant Wayne Ferreira, will be attending the 10th WaCA Mining summit that is being held in Accra, Ghana over two days from the 2nd - 3rd October. In conjunction with the Mining Summit, Wayne will be spending the week in Accra attending various meetings with a number of mining companies as well as

hosting a roundtable event, where the main topics of discussion will be Salary Benchmarking, as well as Gender Diversity & Inclusion (a very HOT topic currently being discussed within the Global Mining industry). The roundtable will be attended by Human Resource and Financial Managers from various mining companies, the likes of Goldfields, Sahara Natural Resources, Non Ferrous Metals, Kolak Mining, Asante, Asanko and Newmont Mining. Whilst at the Summit, Wayne will also be conducting interviews with CEO, COO and Managing Directors from AngloGold Ashanti, Alphamin, FLSmidth,

Vedanta Resources and Mr Addae Antwi Boasiako, the CEO of the Minerals Commission of Ghana. Don't hesitate to contact Wayne, should you happen to be in Accra or wish to explore our capabilities in Africa

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2019 Upcoming Events Meet Us There



**22
OCT**

EXPOMIN 2019
ACAPULCO, MEXICO
22 - 25 OCTOBER 2019



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**29
OCT**

IMARC 2019
MELBOURNE, AUSTRALIA
29 - 31 OCTOBER 2019



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**5
NOV**

GESTION MINERA
LIMA, PERU
5 - 7 NOVEMBER 2019



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**12
NOV**

COLOMBIA GOLD-COPPER SYMPOSIUM
MEDELLIN, COLOMBIA
12 - 13 NOVEMBER 2019



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2019 HR Consultants Report

Contact us for your free 24 page report of HR trends in the global mining industry.

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