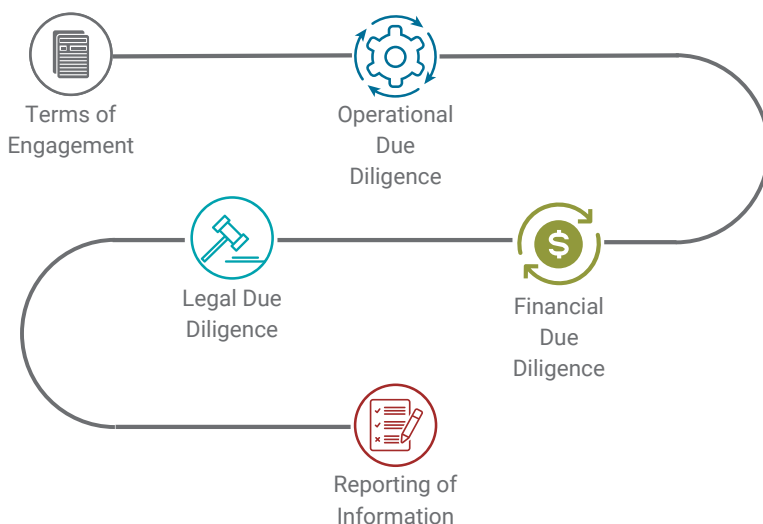


# Industry Insight on Due Diligence Exercises

## What is a due diligence?

A due diligence in the mining industry refers to an independent expert assessment and evaluation of the quality of the technical and financial aspects of a mining project, as well as to the operational factors attributable to a Mining Company or its mining operations, or even to new greenfield exploration/mining projects on behalf of a potential investor looking to engage in an acquisition, merger or investment.

The purpose of a due diligence is to gather objective, reliable, and factual information about a potential company, or project acquisition, or investment to assist the investor with making informed decisions and mitigating potential risks. It involves reviewing various technical aspects such as geology, Mineral Resources, Mineral Reserves, infrastructure, mining methods, processing techniques, environmental considerations, and other technical components associated with the mining operation, as well as asset value and financial feasibility.



A due diligence should provide potential investors, acquirers, or lenders with an in-depth understanding of the technical feasibility, risks, and opportunities associated with a mining project or an exploration or mining company. It helps stakeholders make informed acquisition for fair value decisions regarding investment, acquisition, or financing by evaluating the technical soundness, operational efficiency, and potential for future value-creation of the project.

This information enables the investor to make informed investment decisions, negotiate transaction terms, and develop strategies to maximise the project's potential.