



VENUS MINERALS

Frequently Asked Questions

November 2021

1. Why do we need mining?

Mining is an essential element of modern life. Every car, ship and aeroplane, every fridge, cooker and kettle, every TV, mobile phone and computer is made almost exclusively of mined materials. Without mining, the world we live in would look and feel very different. Furthermore, mining plays an intrinsic role in developing a more sustainable world, providing raw materials such as copper, lithium, and cobalt. Minerals such as these will be increasingly crucial in the coming years, to meet the growing demand for digitalisation, electrification and the transition to electric vehicles (as well as the development of their necessary infrastructure), and global green economy applications, such as renewable energy.

2. How do communities benefit from it?

The operating life of a mine can last several decades. Hence, mining can serve as a long-term employer and investor in a local community, creating new jobs, training opportunities and additional work for local service providers. Mining can also lead to the development of new infrastructure, such as road and rail networks. It should be noted that a modern sustainable mine can leave an area in a better state than before.

The industry can also diversify a country's economy, reducing high dependence on specific sectors, while the export of minerals and metals can have a positive contribution to a country's trade balance as well as attract additional investment. A successful mining sector can be a substantial contributor to state revenues, helping to pay for public services.

3. What initiatives does Venus Minerals have in place/intend to implement which will benefit local communities in Cyprus?

Venus is proud to operate in Cyprus, and recognises the importance of the environment and communities in which we work. Venus' management team has global experience working with local communities and is committed to ensuring the highest standards of practice and engagement in Cyprus. Venus is an equal opportunities employer, employing local people where possible. During 2021, we have had three Cypriot graduate geologists working with us, who have already gained crucial training and experience for their futures and for the future benefit of Cyprus. We hire local service providers where possible, helping to stimulate the economies in which we operate, as well as using state-of-the-art exploration technologies to lessen our carbon footprint and other environmental impacts. We expect the number of direct local employees, many of whom will be filling skilled positions, to increase significantly once mine development plans get underway.

4. Why are you mining copper today, is it still in demand?

Copper is the third most used metal in the world, so it is still very much in demand today as a vital commodity for modern life. A good conductor of heat and electricity, copper is used in everything from building materials to modern electronics, medical equipment, electric

vehicles, and renewable energy. As countries around the world are committing to net-zero global emissions and sustainable energy supplies, the global market will require unprecedented quantities of copper over the coming decades as it is a vital component in primary infrastructure and the built environment as a whole, as well as in other aspects of the transition to a green economy.

According to a recent report by Goldman Sachs entitled 'Copper is The New Oil', copper will play a critical role in achieving the Paris Agreement target to limit global warming to well below 2 degrees Celsius. Goldman reported that green copper demand amounted to 1 million tonnes in 2020 and is forecast to rise to 2.6 million tonnes by 2025 and to 5.4 million tonnes in 2030.

5. What is the role of copper in tackling climate change?

Copper is a highly efficient conductor of electricity and heat, and as such it is essential for the renewable energy technologies needed to combat climate change, including solar panels and wind turbines. Moreover, it is infinitely recyclable and can be reused without any loss in performance. Recycling copper saves energy, reduces greenhouse gas emissions, extends the life of natural resources and saves valuable land from being used for landfills. To meet growing demand for copper, it is however essential to both recycle and find new sources of supply. From smart and secure grids to underground cabling, additional supplies of copper are helping to increase societal resilience. At the same time, the metal is central to environmentally responsible economic growth and development.

6. Why is Cyprus a good location to be mining copper?

Cyprus has a long and successful mining history, dating back 3,900 years, and remains highly prospective for copper mining. The country's largest mine, Mavrovouni, produced in total more than 700,000t of copper, worth ~US\$6.4 billion at today's prices. Mining was halted in 1974, and as such the government are highly supportive of the re-emergence of the sector today. Cyprus is a highly favourable mining jurisdiction, being an EU member with robust mining laws, a skilled workforce and excellent infrastructure.

7. What are the main stages of a Mining Cycle?

Mining projects can take 10 to 15 years to get up and running. The life cycle of a mine includes five stages: **(i) Exploration and Resource definition (ii) Design and Planning (iii) Development, (iv) Production and Processing (v) Closure and Reclamation.**

During the **exploration** phase, the company carries out drilling programmes to extract and analyse samples and determine the deposit's volume and grade.

Subsequently, during the **design and planning** stage, a feasibility study is carried out to determine whether the mineral resource can be mined economically. Other geoscience and engineering studies, including to test the safety and environmental impact of the proposed project, are also undertaken.

Once the company is sufficiently confident that there is a financially viable amount of deposit, that the project can run safely and with minimal environmental impact, and that all necessary approvals are in place, then the project can progress to the **development stage**.

Once all these phases have been completed, the project will be up and running and ready to begin **production**. The first step of this phase entails the excavation of mineralised rock (ore). The ore is then **processed** through crushers and mills to separate commercially valuable

minerals from their ores. Further processing of the ore then takes place to produce a product ready for sale to customers.

The final stage in mining operations is **closure and reclamation**. This process starts with advance planning and analysis even before the mine is constructed and continues well after closure. At this stage, most likely many decades after exploration began, the mining company will restore the land to a safe natural state, available to be used for something different in the next stage of its life.

8. How does exploration differ from mining?

Mineral exploration and mining are often used interchangeably, despite having separate functions and a distinct purpose. Mineral exploration precedes mining. Without mineral exploration, mines cannot be developed, and mining cannot occur. Exploration is defined as the range of activities that helps determine if there are minerals under the ground. If the exploration process shows that minerals can be commercially extracted, then mining may be possible in the future. Exploration for minerals involves mapping, surveying the ground from the surface or air, testing water and soil samples and drilling. Mining on the other hand (underground or surface), is defined as the full range of operations involving the extraction of ore, stone, sand and gravel deposits or other naturally occurring minerals and deposits from the earth.

9. How many active projects does Venus Minerals currently have in Cyprus and what is their latest status?

Venus Minerals has been operating in Cyprus for over 15 years and is currently operating projects in the North Troodos region; the Company's flagships are the Magellan Project, which comprises the Kokkinoyia, Klirou and New Sha license areas, and the Mariner Project, which comprises two licenses near Avdellero and Troulli. The company has also recently partnered with Hellenic Copper Mines for the development of a new copper mine in Apliki. This mine is fully permitted and ready for construction.

10. Does Venus Minerals have all the necessary exploration licenses for its projects?

Venus Minerals is fully licensed by the Cypriot Mines Service to carry out exploration across its project areas. In order to be approved for an exploration permit, the Company must meet the environmental criteria of a number of government agencies and is bound by a range of conditions regarding disturbance and rehabilitation. Today, at the exploration stage, it is obliged to regularly update the authorities on the progress of its operations. Beyond these obligations, the Company has further committed to the highest standards of operational practices and to maintaining a close relationship and dialogue with the relevant authorities and governing bodies.

11. How do you make sure that the natural environment is not harmed and what responsibility does a company have in rehabilitation after mining?

Venus Minerals is using state-of-the-art, low-impact exploration methods and plans to introduce modern mining and mineral processing methods engineered to minimise impact and maximise efficiency. The Company has a policy to rehabilitate its activities as soon as practicable after the work is undertaken. Venus has completed the rehabilitation of all of its exploration work to date. Land rehabilitation technology has advanced to a high level and today it is highly regulated and more accountable than ever before. A number of EU regulations have been adopted to regulate mining waste and other aspects of the industry, which are regularly updated to reflect advances in the industry. Moreover, it should be noted that the Company has publicly stated its commitment to the highest standards across every

element of its business, matching the same standards as the most demanding jurisdictions internationally, such as Scandinavia, North America and Australia.

12. What EU laws govern mineral exploration/mining?

The EU ensures that mines and mining waste are managed properly through a combination of environmental, health and safety, and human rights laws. These rights and charters bind EU member states and its institutions, for example guaranteeing the overall protection of certain human rights that could be impaired by mining activities. One of the key laws comprising this framework is the Extractive Waste Directive 2006/21/EC, which aims to prevent or reduce any adverse effects on the environment due to the management of mining waste.

13. What state body handles the permitting of mining projects in Cyprus?

Cyprus' competent authority for the implementation of the [Mines and Quarries Law and Regulations](#) and the [Explosive Substances Law and Regulations](#) is the Mines Service. The Mines Service seeks input from a range of departments that oversee water, forestry, geology, defence, agriculture, antiquities and town planning. The Service oversees the community consultation process, another important part of licencing a mine. It also advises the State on technical subjects relating to the mineral wealth of the country and acts as a contact point between the Government, mining companies and prospectors. It also ensures health and safety conditions for workers in the sector and the highest quality of products in the market. In order to achieve the above, the Mines Service is responsible for:

- The issuing of Prospecting Permits, Quarry Licences, Mining Leases and the control of their issuing terms.
- The examination of Environmental Studies concerning the main exploitation activities.
- The control of the conditions for health and safety in the mines, quarries and relevant installations.
- The control of the import, storage, sale and use of explosive substances, fireworks and ammunitions.
- Receiving income from rents, fees and royalties.

14. Where can I find more information about the minerals industry?

There are many online resources on mining and the minerals industry. For more information, you can browse the [website](#) of the European Association of Mining Industries, or the [website](#) of the International Copper Association.