



ANNUAL  
REPORT  
2015



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## TABLE OF CONTENTS

Message from the Chair	1
About the Foundation	3
How We Work	5
Strategic Areas	6
2015 Portfolio Summary	7
Extractives and Sustainable Development Initiatives 2015	8
Resource Governance	10
Education and Skills Training	12
Local Procurement	14
Economic Diversification	16
Social and Environmental Innovation	18
Independent Auditors' Report	20
Financial Statements	21
Notes to the Financial Statements	24
Governance	31
Management Team	32
Contributing Partners	34



Front cover: APEOSAE coffee producers, province of Zamora Chinchipe, Ecuador.

Lodwar Youth Polytechnic, Kenya.



# MESSAGE FROM THE CHAIR

The Lundin Foundation is pleased to present its 2015 Annual Report. This report summarizes our global initiatives aimed at ensuring host governments and local populations effectively manage, and benefit from, resource development projects.

The Foundation works alongside Lundin Group companies in five strategic areas: improving fiscal and regulatory governance by national and local authorities; enhancing education and skills training to maximize direct and indirect employment opportunities; building capacity and improving access to finance to maximize local business participation in procurement opportunities; building strong economic foundations to ensure diverse benefit streams continue beyond the life of the operating asset; and to promote scalable and innovative solutions to pressing social and environmental challenges.

Over the course of 2015, I am pleased to report that the Foundation completed two innovative public-private infrastructure partnerships. The expansion and upgrade of the Letlhakane Abattoir in concert with the Central District Council will generate significant long-term benefits to livestock owners in communities surrounding the Karowe Mine in Botswana. In partnership with Africa Oil, completion of the first phase of modular construction of the Lodwar Youth Polytechnic in Turkana County, northern Kenya has enabled neighboring communities to access quality technical and vocational training and take advantage of planned oil and gas and infrastructure projects in the region.

I am particularly pleased to report that Lucara Diamond received the Prospectors & Developers Association of Canada (PDAC) 2016 Award for Social and Environmental Responsibility for its stakeholder initiatives, community engagement and focus on sustainable practices and long-term benefits at their Karowe Mine in Botswana.

Looking ahead to 2016, the Foundation expects to deepen and extend its partnership activities with Lundin Gold in Ecuador. In partnership with Lundin Mining, it will also embark on the third (and final) phase of a program aimed at improving health benefits by increasing zinc uptake in the Democratic Republic of Congo through the introduction of zinc-enhanced sprays and fertilizers. Finally, in partnership with Lundin Petroleum, the Foundation will develop innovative partnerships aimed at contributing to the effective resettlement of Syrian refugees in Sweden and Norway.

In closing, I am grateful for the continued trust and support of our stakeholders and contributing partners in spite of depressed commodity prices. I would like to personally thank the Foundation's staff and Board of Directors for their ongoing commitment and dedication over the past year.

Yours sincerely,



Lukas H. Lundin  
*Chair*





ADVERTENCIA  
MECANISMOS  
EN MOVIMIENTO

Industrias  
FIMAR  
Tel: 0977242716  
San Gil Santander

APEOSAE coffee processors,  
province of Zamora Chinchipe, Ecuador.

# ABOUT THE FOUNDATION

Founded in 2005, the Lundin Foundation is a registered Canadian non-profit corporation headquartered in Vancouver, Canada with regional offices in Accra and Nairobi. Its program activities are aligned with the geographic footprint of its strategic partners. The 2015 Annual Report highlights our work in Extractives and Sustainable Development.

## THE CHALLENGE

The extractives industry – mining, oil and gas – holds tremendous potential to transform local livelihoods and bolster economies in a sustainable and inclusive manner. Over the last ten years, the benefits arising from the industry have come under particular scrutiny as foreign direct investments, primarily driven by mining and oil and gas companies, began to overtake official development assistance in developing countries.

When natural resource discovery is accompanied by strong governance, a skilled local workforce and a vibrant private sector, the growth of the industry is instrumental in a country's development. Industry growth contributes to strong public finances, natural resources are managed sustainably, employment opportunities expand, and economic growth is spurred through increased business opportunities throughout the industry value chain.

However, when countries with new resource discoveries lack essential building blocks – governance, educational institutions, a capable private sector – much of the transformative potential of the industry can be lost, resulting in extractive companies facing significant operational risks and local communities realizing few benefits.

## OUR MISSION

The Foundation works with extractive companies, host governments and local communities to improve the management of, and revenue streams from, extractive industry activities. We create shared value among key stakeholders, with a view to building inclusive and sustainable economies that reduce and address pressing social and environmental issues.





ECOLAC dairy processing centre, Yantzaza, province of Zamora Chinchipe, Ecuador.

# HOW WE WORK

The Foundation operates across diverse geographies, each with a unique cultural and socio-economic context. The Foundation uses the following principles to guide our work.

## CREATE SHARED VALUE

We support initiatives which create both business value for extractive companies and social or economic benefit to local communities.

## ALIGN WITH KEY STAKEHOLDER PRIORITIES

We consult closely with local communities and align initiatives with local development plans.

## TRUST AND RESPECT

We work with the utmost respect for local culture, customs and traditions.

## INNOVATIVE

We seek to find new ways to overcome challenges and take measured risks on high potential opportunities.

## CATALYTIC

We seed innovative initiatives that can be scaled or replicated.

## LONG TERM

We support initiatives that generate sustained impact both during, and beyond, the life of the productive asset.

# STRATEGIC AREAS

The Foundation supports initiatives in five strategic areas selected for the potential to create long-term benefit streams to host governments and locally impacted communities.



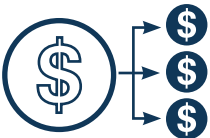
## RESOURCE GOVERNANCE

Strong governing institutions ensure industry benefits are broad based and transformative. The Foundation assists national and local governments to build capacity to provide regulatory oversight, manage resource revenues and develop strategic economic development plans.



## EDUCATION AND SKILLS TRAINING

Extractive industries offer direct and indirect benefits through employment, with the majority of positions requiring skilled training. The Foundation supports the development, equipping and capacity building of local training institutions with a view of bridging skill gaps to employment for local populations.



## LOCAL PROCUREMENT

The purchasing power of extractive companies can be a powerful catalyst for spurring the growth of the local economy, creating jobs and wage benefits – it is estimated that supply chain activities can create three times more employment benefits compared to direct employment within extractive companies. The Foundation supports initiatives aimed at strengthening the local supplier base through technical assistance and access to financing.



## ECONOMIC DIVERSIFICATION

The life of a mine or oil field is limited. The Foundation supports the growth of high potential sectors unrelated to resource extraction to ensure diverse and resilient economies beyond the life of the operating asset.



## SOCIAL AND ENVIRONMENTAL INNOVATION

Communities surrounding operating assets often face social and environmental challenges. The Foundation enables communities to better address these challenges by supporting innovative and scalable solutions.



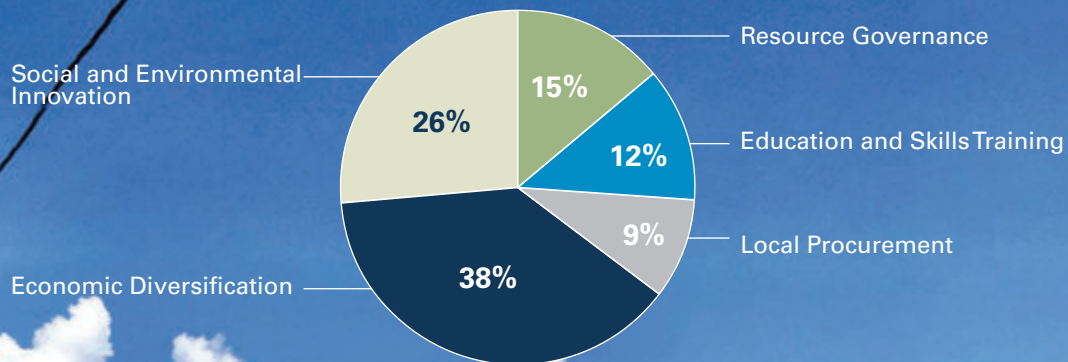
# 2015 PORTFOLIO SUMMARY

Since inception, the Foundation has disbursed over US \$50 million to innovative organisations, social enterprises and initiatives focused on improving the livelihoods of communities in which we operate.

Total number of initiatives  
**18**

Total amount committed  
**US\$7.22 million**

Initiative Area – % of committed funds





# EXTRACTIVES AND SUSTAINABLE DEVELOPMENT INITIATIVES 2015



**CANADA**  
CIRDI

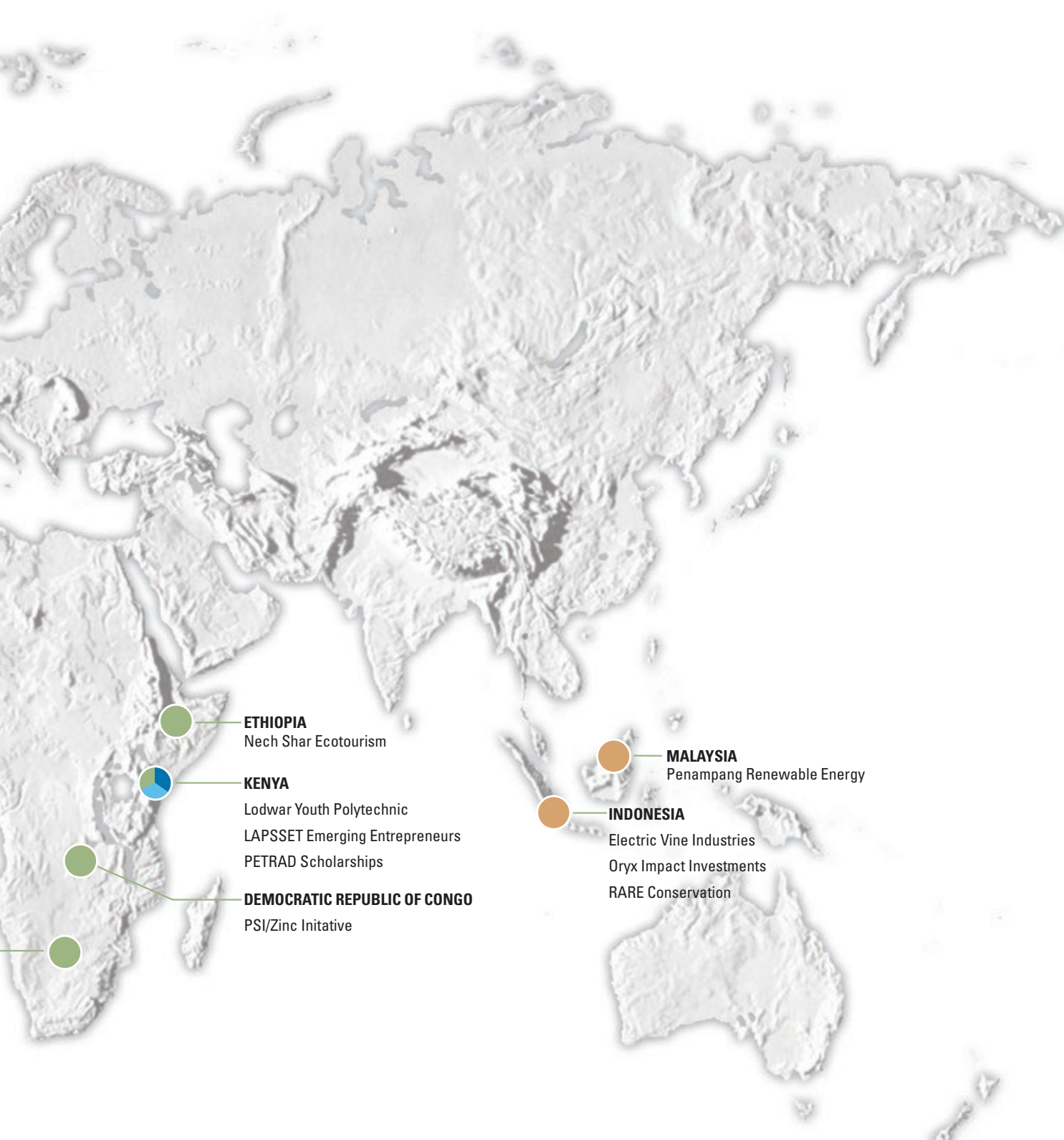
**UNITED STATES**  
Eagle Emerging Entrepreneurs Fund

**NORWAY**  
PETRAD

**ECUADOR**  
APEOSAE Coffee Producers Association  
Catering Las Peñas  
Centre for Development and Innovation in  
Industry and Mining (CIMA)  
ECOLAC Dairy Producers

**CHILE**  
BCI Loan Guarantee

**BOTSWANA**  
Karowe Emerging Entrepreneurs Fund  
Letlhakane Abattoir



**ETHIOPIA**

Nech Shar Ecotourism

**KENYA**

Lodwar Youth Polytechnic

LAPSSET Emerging Entrepreneurs

PETRAD Scholarships

**DEMOCRATIC REPUBLIC OF CONGO**

PSI/Zinc Initiative

**MALAYSIA**

Penampang Renewable Energy

**INDONESIA**

Electric Vine Industries

Oryx Impact Investments

RARE Conservation

**Initiative Type**

- Economic Diversification
- Education and Skills Training
- Local Procurement
- Resource Governance
- Social and Environmental Innovation



# RESOURCE GOVERNANCE

**Goal:** To support national and local institutions to effectively manage, and benefit from, resource development activities.



## Spotlight: PETRAD Scholarships for Kenya's Emerging Oil and Gas Sector

In support of Kenya's recent oil and gas discoveries, the Foundation has sponsored representatives from the Ministry of Energy and Petroleum and the National Oil Corporation of Kenya (NOCK) to attend training at PETRAD in Stavanger, Norway. The program trains existing or emerging leaders who are responsible for regulatory development and administrative control over the upstream petroleum sector. Since 2013, the Foundation has supported seven individuals from Kenya to attend the eight week program in Stavanger.



**Michael Kinyua**

Petroleum Engineer  
National Oil Corporation of Kenya  
Scholarship Recipient 2013

Since attending PETRAD training, Mr. Kinyua has been nominated by NOCK to be part of the Inter-Ministerial Technical Committee tasked with reviewing the past Petroleum Act and contributing to the updated Kenya Petroleum Bill 2014, Production Sharing Contract and Regulations. This included aligning the Act with the new Kenyan constitution and developing a framework to responsibly manage resource exploration and development.

*“I am proud to have contributed immensely to the proposed Petroleum Bill and Production Sharing Contract especially having had the experience of the PETRAD program on the necessity to adopt better framework conditions for any country to be successful in oil and gas resources management.”*



**Lilian Waweru**

Legal Counsel  
National Oil Corporation of Kenya  
Scholarship Recipient 2015

Ms. Waweru is the Legal Counsel for NOCK, responsible for drafting and negotiating legal agreements on behalf of NOCK and reviewing regulatory requirements. Since attending PETRAD training, Ms. Waweru has been a member of an Inter-Ministerial Committee formed by the Ministry of Energy and Petroleum which reviews the existing Legal, Policy and Regulatory Framework within the energy and petroleum sector in Kenya.

*“There is a lot of International Law practice in upstream contractual documents and the training was an eye opener especially for negotiating with strategic partners. Being a national oil company, joint ventures are a sure way of achieving our strategic objectives and it is imperative to negotiate value. It was great to understand the technical aspect of the value chain through interaction with the operations class during the joint sessions. I am excited and hope to continue to take part in the national dialogue and legal process of enacting the new energy sector laws and policies as I can share and implement the information acquired from the program.”*



# EDUCATION AND SKILLS TRAINING

**Goal:** To bridge skill gaps among local populations to enable successful employment within extractive companies or the supply chain.



New workshops and trainees at Lodwar Youth Polytechnic, Kenya.



## Spotlight: Lodwar Youth Polytechnic (Kenya)

It is estimated that over 60% of employment opportunities within the emerging oil and gas sector in Kenya will require vocational and technical training. To ensure the local population has the necessary skills to qualify for employment opportunities, the Foundation has focused on strengthening training capacity in Lodwar, Turkana County, where the most promising oil discoveries have been made.

In 2013, the Foundation began a two year initiative in close partnership with Africa Oil and the Turkana County Government to upgrade the Lodwar Youth Polytechnic (LOYOPO) facilities and strengthen institutional capacity to deliver training. The objective is to offer training in electrical installation, plumbing and hospitality – three skill areas selected for their relevance to, and outside of, the oil and gas sector – to communities surrounding the oil and gas development. The project was completed in 2015, with the construction of new training facilities, management training for the board and management team, provision of training equipment, and faculty training delivered in partnership with the College of the Rockies – a recognized Canadian training institution.

The Turkana County government has now assumed management of the facilities, committed to additional capital improvements and will hire additional faculty to support training operations.

“A number of organizations have expressed interest in supporting LOYOPO, but the Lundin Foundation is the first to keep its word.”

Margaret Kuchal, Turkana County Government,  
Cabinet Executive for Education



# LOCAL PROCUREMENT

**Goal:** To leverage the purchasing power of mining and oil and gas companies to support the creation of a vibrant local private sector.



Catering Las Peñas prepares Christmas feast for Fruta del Norte employees, Ecuador.



## Spotlight: Catering Las Peñas (Ecuador)



Catering and camp services are a natural entry point into mining supply chains for local entrepreneurs. At Lundin Gold's Fruta del Norte (FDN) project in southern Ecuador, catering services were originally operated by the company. The Foundation supported former catering employees of FDN to form Catering Las Peñas (CLP), an independent company providing catering and housekeeping services to FDN. The Foundation has provided financing and technical assistance to support the start-up phase of operations and to enable CLP to better link local agricultural producers into its supply chain.

CLP has performed exceptionally well, providing high quality daily meal and housekeeping services. In the first six months of operations, CLP has created 30 jobs which have been filled entirely by individuals from surrounding communities. CLP's own procurement activities are also having an additional catalytic impact in nearby communities: the company has contributed over \$200,000 to the local economy through purchases from local agricultural producers. With the support of the Foundation, CLP is now preparing to scale operations to meet the projected needs of FDN.

**Every dollar invested by the Foundation has generated an additional \$2.56 in the local economy in the form of wages, supply chain purchase, and taxes paid to local government.**

*“We want to thank the Lundin Foundation for their support at the launch of our company. It was a dream of ours since we became employees at the mining project. Our start-up phase was very busy as creating a new company required many steps, most of which were entirely new to us. With a lot of enthusiasm and commitment to improve, we have been making progress. The support from Lundin Foundation has been critical in helping us fulfill service requirements and become a specialized food, janitorial and housekeeping services provider for the Fruta del Norte project.”*

Victor Armijos, General Manager, Catering Las Peñas

## Spotlight: Zinc Initiative (Democratic Republic of Congo)



### Improving maize production and nutrition in the Democratic Republic of Congo.

All living things need zinc in order to grow and function. Of all the micronutrients, zinc has the strongest effect on our immune system and can prevent diseases and fight infections.

Children are the most adversely affected by inadequate zinc intake because their immune system is not fully developed and they are growing at the most rapid rate. Among other harmful effects, zinc deficiency is most notably accountable for growth retardation, stunting, impeded intellectual development and vulnerability to diarrhea and pneumonia, the two biggest killers of children under five. The World Health Organisation estimates that in the Democratic Republic of the Congo, 57% of the population is at risk of zinc deficiency and nearly 150,000 children under the age of five die each year due to pneumonia and diarrhea.

Zinc deficiency can be addressed in many different ways. For the immediate needs of children suffering from chronic diarrhea, zinc and oral rehydration salts (ORS) treatments can greatly reduce the severity and duration of these episodes, which can save millions of lives every year. Zinc also plays a major role in the prevention of diarrhea and other health problems related to zinc deficiency.

**The Lundin Foundation has embarked upon a multi-phase program in Katanga Province, DRC.**

- Phase 1 (2013-2015) was designed to strengthen the capacities of local health service providers to prevent and treat diarrhea through improved distribution of ORS/zinc and water purification.
- Phase 2 (2015-2016) involves the certification of two local suppliers for ORS/zinc supplements.
- Phase 3 (2016-2018) is a partnership with the International Zinc Association to increase crop yields and nutritional uptake of zinc in the DRC through the creation of a long-term sustainable agronomic program with potential to scale nationally and regionally.



# ECONOMIC DIVERSIFICATION

**Goal:** To support the growth and long-term competitiveness of a vibrant private sector in areas unrelated to resource development.



Ramohube Fabric shop is a investee of Karowe Emerging Entrepreneurs Fund, Letlhakane.

## Spotlight: Letlhakane Abattoir (Botswana)



Livestock plays an important role in households living in and around Letlhakane, a community located next to Karowe Mine, Botswana. Prior to 2015, the community relied on a slaughterhouse which could not keep up with growing demands of the local market, or meet health and sanitary standards, negatively impacting livestock producers as the next closest abattoir was 300 km away.

The Foundation, in partnership with the Central District Council, supported the upgrade and expansion of the slaughterhouse to a certified Letlhakane abattoir, with increased processing capacity and adherence to national health standards to enable local producers to increase incomes from livestock sales. Construction was completed in 2015, with operations now managed by the local council.



Onalethata Gabaitse is the manager of the newly upgraded Letlhakane abattoir.



# SOCIAL AND ENVIRONMENTAL INNOVATION

**Goal:** To enable communities to better address social and environmental challenges.





## Spotlight: Penampang Renewable Energy (Malaysia)



In Sabah, Malaysia, the cost of grid extension to rural areas is prohibitively high, and remote communities lack access to energy. Penampang Renewable Energy (PRE) is an early stage renewable energy company based in Sabah that manufactures and installs micro-hydro systems for remote communities. The Foundation provided seed funding to strengthen PRE's manufacturing capacity, refine its business model and further expand access to renewable energy to four new sites.

In 2015, PRE was able to triple its manufacturing capacity and produce hydro turbines at 20% of the cost of international competitors. PRE also trained 35 village operators to manufacture, operate and maintain micro-hydro systems and installed four new hydro systems which connected over 1,140 people to renewable energy. PRE was recognized as a finalist for the ASEAN "Rice Bowl" start-up awards in the social enterprise category.



# INDEPENDENT AUDITORS' REPORT

## **To the Directors of the Lundin Foundation**

### **Report on the financial statements**

We have audited the accompanying financial statements of the Lundin Foundation, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and changes in unrestricted net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Lundin Foundation as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Canada Corporations Act, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

The logo for Ernst & Young LLP is written in a green, cursive script. It features the words "Ernst & Young" followed by "LLP".

**Ernst & Young**

*Chartered Professional Accountants*

Vancouver, Canada

May 16, 2016



# STATEMENT OF FINANCIAL POSITION

Expressed in Canadian dollars

As at December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents [note 2]	2,239,830	2,981,110
Short-term investments [note 3]	68,357	58,691
Accounts receivable	333,090	906,335
DFATD contributions – grant receivable [note 8]	—	61,862
Prepaid expenses	45,455	49,879
Due from related parties [note 9]	715,982	325,587
<b>Total currents assets</b>	<b>3,402,714</b>	<b>4,383,464</b>
Loans receivable [note 5]	3,116,384	2,037,778
Term deposit [note 14]	250,000	250,000
Equity venture investments [note 6]	7,360,406	3,446,123
Property and equipment, net [note 7]	70,224	82,992
Loan guarantees [note 12]	491,550	434,854
Repayable grant scheme [note 13]	97,217	—
Restricted cash – DFATD [note 8]	224,016	172,470
<b>Total assets</b>	<b>15,012,511</b>	<b>10,807,681</b>
<b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 9]	612,551	303,763
Deferred revenue [note 10]	74,293	—
<b>Total current liabilities</b>	<b>686,844</b>	<b>303,763</b>
Related party transactions [note 9]		
Commitments [note 11]		
<b>Unrestricted net assets</b>	<b>14,325,667</b>	<b>10,503,918</b>
<b>Total liabilities and unrestricted net assets</b>	<b>15,012,511</b>	<b>10,807,681</b>

See accompanying notes

On behalf of the Board:



Lukas H. Lundin  
Director



Stephen D. Nairne  
Director

# STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS

Expressed in Canadian dollars

Year ended December 31	2015	2014
	\$	\$
<b>Grants disbursed</b> [schedule 1]	(3,598,620)	(3,495,129)
DFATD project expenses [note 8]	(238,170)	(392,003)
Consultancy fees [schedule 2]	(258,326)	(320,349)
	(4,095,116)	(4,207,481)
<b>General and administrative expenses</b>		
Accounting	69,487	27,314
Amortization	12,768	12,768
Bank charges	14,812	7,337
Legal	48,570	11,096
Memberships	27,410	35,065
Office	92,182	84,317
Rent [note 9]	156,914	86,346
Salaries	1,073,822	740,308
Sponsorships	5,000	16,033
Telephone	19,932	15,556
Travel	367,226	244,694
Reimbursed expenses [schedule 3]	(622,336)	(313,708)
	1,265,787	967,126
Operating expenses before the following	(5,360,903)	(5,174,607)
Donations received [note 9]	7,673,537	5,067,148
DFATD grant revenue [note 8]	180,391	298,136
Excess of revenue over expenses from operations before other items	2,493,025	190,677
Other items		
Investment income [schedule 2]	1,403,024	557,690
Miscellaneous revenue	—	7,482
Write-off of loan investment	—	(10,855)
Impairment loss on investment	(74,300)	(448,952)
	1,328,724	105,365
<b>Excess of revenue over expenses for the year</b>	<b>3,821,749</b>	<b>296,042</b>
Unrestricted net assets, beginning of year	10,503,918	10,207,876
<b>Unrestricted net assets, end of year</b>	<b>14,325,667</b>	<b>10,503,918</b>

See accompanying notes



# STATEMENT OF CASH FLOWS

Expressed in Canadian dollars

Year ended December 31	2015	2014
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	3,821,749	296,042
Add (deduct) items not affecting cash		
Amortization	12,768	12,768
Foreign exchange gain not involving cash flow	(504,135)	(51,256)
Impairment loss on investment	74,300	448,952
Loan write-off	—	10,855
Reinvested income	(9,666)	(4,310)
	3,395,016	713,051
Changes in non-cash working capital balances related to operations		
Accounts receivable	573,245	(119,166)
Prepaid expenses	4,424	(37,269)
Accounts payable and accrued liabilities	308,788	(589,036)
Deferred revenue	15,000	—
Due from related party	(390,395)	(49,731)
<b>Cash provided by [used in] operating activities</b>	<b>3,906,078</b>	<b>(82,151)</b>
<b>Investing activities</b>		
Loan advances	(665,803)	(812,070)
Loan repayments	132,399	75,092
Increase in loan interest receivable [accrual for the year]	(172,063)	(65,412)
Advances to equity venture investments	(3,914,283)	(1,295,458)
Equalization payments received from equity venture investments	—	1,893,756
Loan guarantee – Northern Initiatives	—	(290,025)
Loan guarantee – BCI	—	(144,829)
Repayable grant scheme – KEEF	(97,217)	—
Revenue over expenses relating to restricted cash	69,609	(108,735)
<b>Cash used in investing activities</b>	<b>(4,647,358)</b>	<b>(747,681)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(741,280)</b>	<b>(829,832)</b>
Cash and cash equivalents, beginning of year	2,981,110	3,810,942
<b>Cash and cash equivalents, end of year</b>	<b>2,239,830</b>	<b>2,981,110</b>
<b>Non-cash transactions</b>		
Advances to equity venture investments	—	(170,160)
Accounts payable and accrued liabilities	—	170,160

See accompanying notes

# NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31  
Expressed in Canadian dollars

## 1. Purpose of the organization

The Lundin Foundation [the “Foundation”] is a registered non-profit corporation headquartered in Vancouver, British Columbia. The Foundation’s mission is two-fold. First, to identify and support innovative, scalable small and medium sized enterprises [“SMEs”] capable of tackling complex social and environmental challenges. Second, to support initiatives aimed at ensuring extractive industries are catalysts for inclusive economic development in the areas of resource governance, education, training, local procurement, and economic diversification.

The Foundation was incorporated under the Canada Corporations Act in 2005. The Foundation is a not-for-profit organization and is exempt from income taxes under the Federal Income Tax Act.

## 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

### Revenue recognition

Donations and government grants are recognized using the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

### Grant disbursements

Grants are recorded when the recipient[s] meet[s] the criteria set out in the respective deed of gift and provides necessary supporting documentation to the Foundation.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with financial institutions and short-term deposits which are highly liquid with original maturities of less than three months.

### Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such other financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual

basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances improve in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### Impact investments

The Foundation has chosen to record impact investments on the cost basis as typically the Foundation does not expect significant influence or control over the investment. Impact investment consists of the following:

	Ownership %	Basis of Accounting
Injaro Agricultural Capital Holdings Ltd.	10.22	Cost
Central Africa SME	7.82	Cost
Rent-to-Own	17.50	Cost
Medeem LLC	19.75	Cost
Honey Care Africa Ltd.	16.77	Cost
African Management Initiative	11.11	Cost
M-Kopa, LLC	4.43	Cost
CDS	10.00	Cost

### Foreign currency translation

Amounts recorded in foreign currency have been translated into Canadian dollars as follows:

- [a] Current assets, current liabilities and long-term monetary assets and liabilities at the rate of exchange in effect as at the date of the statement of financial position;
- [b] Non-monetary assets and liabilities, at the rates of exchange prevailing on the transaction dates; and,
- [c] Revenue and expenses [excluding amortization, which is translated at the same rate as the related asset], at the rates of exchange prevailing on the transaction dates.

Gains and losses arising from this translation of foreign currency are included in the statement of operations for the year.

### Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Contributed assets are recorded at fair market value at the date of contribution. Amortization is calculated using the straight-line method at the following annual rates:



Office equipment	2 years
Office improvements	10 years

### Impairment of long-lived assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Foundation uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

### Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to estimates and assumptions include carrying amounts of loans receivable and equity venture investments. Actual results could differ from those estimates.

### Contributed services

A number of individuals contribute time and expertise to the Foundation across its operations. However, since no objective basis exists for recording and assigning fair values to contributed services, the value of this time has not been reflected in these financial statements.

Contributed materials are recorded at fair value when a fair value can be reasonably estimated and the materials would otherwise be purchased.

## 3. Short-term investments

The following investments are measured at fair value:

	2015	2014
	\$	\$
Dundee Canadian cash account	9,792	9,700
Dundee U.S. dollar cash account	58,565	48,991
	68,357	58,691

## 4. Financial risks

The significant risks to which the Foundation is exposed are market risk and currency risk.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Foundation's short-term investments are subject to fluctuating returns based on the market and are exposed to the risk of market volatility. Management mitigates such risk by holding these funds in professionally administered funds, using investment counsel, and assessing the market risk on an ongoing basis.

### Currency risk

Currency is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Foundation's short-term investments, accounts receivable, loans receivable, impact investments and accounts payable are exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. The Foundation does not currently enter into forward contracts to mitigate this risk.

## 5. Loans receivable

	2015	2014
	\$	\$
Catering Las Penas – unsecured, 4% interest bearing loan with interest and principal repayments in four equal payments on November 1, 2015, February 1, 2016, May 1, 2016, and August 1, 2016 [denominated in USD].	127,276	—
Chanyanya Project – unsecured, 5% interest bearing loan with interest and principal repayments commencing in 2013 [denominated in USD] [note 5[a]].	733,080	585,183
CDS – unsecured, 17% interest bearing loan, repayable in blended quarterly installments between March 31, 2014 and June 30, 2017 [denominated in Mauritanian Ouguiya] [note 5[b]].	13,443	28,299
Medeem LLC – unsecured promissory note, bearing interest at 3%, repayable in full on the maturity date of April 10, 2020.	670,462	551,048
Rent-to-Own – non-revolving term loan, bearing interest at 3%, repayable in monthly installments of principal plus interest of US\$3,611, secured by accounts receivable of the company, due July 1, 2015 [denominated in USD].	—	34,583
African Management Initiative – unsecured, 48-month loan bearing interest at gradual increments, without scheduled repayments. Convertible to preferred shares at the Foundation's option [denominated in USD] [note 5[c] and 5[d]].	612,100	357,562
Honey Care Africa Ltd. – 12-month loan, bearing interest at 15%, repayable in four quarters of the loan, secured by inventory and accounts receivable in an amount no less than 1.25x the value of the outstanding loan. Loan amount of \$150,000 converted to KES at the date has been extended for 18 months until February 6, 2017, with the option to extend a further 6 months if requested up to 30 days before maturity date [denominated in Kenyan Shillings].	235,827	178,169

Honey Care Africa Ltd. – 6-month loan, bearing interest at 15%, repayable in four quarters of the loan, secured by inventory and accounts receivable in an amount no less than 1.25x the value of the outstanding loan. The loan has been extended for 12 months until August 10, 2016, with no option to extend further [denominated in Kenyan Shillings].	77,383	—
Honey Care Africa Ltd. – 18-month loan, bearing interest at 15%, repayable in four quarters of the loan, secured by inventory and accounts receivable in an amount no less than 1.25x the value of the outstanding loan. The loan has been extended for 12 months until April 2, 2017 [denominated in Kenyan Shillings].	285,607	—
M-Kopa LLC – unsecured promissory note, bearing interest at 11%, repayable semi-annually on January 31, 2015, July 31, 2015, and January 31, 2016 with the maturity date on January 3, 2016 [denominated in USD].	361,207	302,934
	3,116,385	2,037,778

[a] As at December 31, 2015, the Foundation accrued interest on the Chanyanya Project loan receivable.

[b] The Foundation disbursed a total of US\$23,250 to the following vendors of CDS:

[i] Zhejiang Interma Solar Electrical Co., Ltd.

[ii] Barefoot Power Africa Ltd.

[c] The Foundation is committed to the following future loan advancement:

[i] African Management Initiative loan – US\$100,000

[d] The African Management Initiative loan bears interest at the following rates:

12 months from the last day of the month in which the first disbursement is made [Year 1]	5%
13 to 24 months from the last day of the month in which the first disbursement is made [Year 2]	10%
24 to 48 months from the last day of the month in which the first disbursement is made [Year 3 and Year 4]	15%

## 6. Equity venture investments

	2015	2014
	\$	\$
Injaro Agricultural Capital Holdings Ltd. [note 6[a]]	1,645,871	957,033
M-Kopa, LLC	3,430,589	520,556
Central Africa SME Fund [note 6[b]]	1,551,803	1,236,391
CDS	54,507	54,507
Rent-to-Own	49,453	49,453
Medeem LLC	170,161	170,161

Honey Care Africa Ltd.	453,830	453,830
African Management Initiative	4,192	4,192
	7,360,406	3,446,123

The Foundation is committed to the following advances on these investments:

[a] Injaro Agricultural Capital Holdings Ltd. – US\$3,407,100; and

[b] Central Africa SME Fund – US\$64,975.

## 7. Property and equipment

	2015			2014
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	4,150	4,150	—	—
Office improvements	127,680	57,456	70,224	82,992
	131,830	61,606	70,224	82,992

## 8. DFATD contributions – grant receivable

	2015	2014
	\$	\$
Deferred contribution receivable carried forward from prior year	(61,862)	(82,942)
Contributions and interest received from DFATD during the year	302,039	319,216
	240,177	236,274
Less contributions spent during the year	180,884	(298,136)
Deferred revenue [deferred contribution receivable]	59,293	(61,862)

The contributions received from the Department of Foreign Affairs, Trade and Development [“DFATD”] are restricted to project costs for the West Africa Technical Assistance Facility in Cote D’Ivoire, Mali, and Ghana. In accordance with the agreement, 59% of the cash costs are covered by DFATD and the remaining 41% of the cash costs are covered by the Foundation and Engineers Without Borders. As at December 31, 2015, the total cumulative costs incurred on the project by the organizations were \$539,628 [2014 – \$413,927] and the cumulative costs incurred on the project by DFATD were \$776,634 [2014 – \$595,705]. Total revenue recognized in the statement of operations was \$180,391 [2014 – \$298,136]. Contributions received are deposited in a separate account, and are not to be used for general purposes by the Foundation. Accordingly, the unspent cash is disclosed as restricted cash on the statement of financial position totalling \$224,016 [2014 – \$172,470].

## 9. Related party transactions

[a] During 2015, the Foundation paid \$124,782 [2014 – \$82,599] to Namdo Management Services Ltd. [“Namdo”], a private corporation owned by a member of the Board of Directors. The Foundation occupies office space in the Namdo offices for management and support staff.

Namdo charges a monthly service fee of \$12,600 [2014 – \$6,300] and recovers out-of-pocket expenses related to the Foundation's activities.

As at December 31, 2015, \$1,100 [2014 – \$3,017] is included in accounts payable for other expenses payable to Namdo.

[b] During 2015, the Foundation received donations of \$4,763,960 [2014 – \$2,305,899] from companies in the Lundin Group, where the Directors of the Foundation also serve as Directors on the board, or as members of senior management in these companies. Of this amount, \$205,577 [2014 – \$264,451] is recorded in accounts receivable as at December 31, 2015.

[c] During 2015, the Foundation paid nil [2014 – \$13,627] of salaries and rent expenses on behalf of the Lundin for Africa Foundation, a not-for-profit organization under common control. The balance receivable from the Lundin for Africa Foundation as at December 31, 2015 was \$8,007 [2014 – \$13,627].

[d] During 2015, the Foundation paid \$707,975 [2014 – \$300,521] of salaries, rent, travel, and office expenses on behalf of Adolf H. Lundin Foundation, a not-for-profit organization under common control. The balance receivable from Adolf H. Lundin Foundation as at December 31, 2015 was \$707,975 [2014 – \$311,960].

Related party transactions are in the normal course of operations and are recorded at the exchange amount which is the consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, bear no interest and have fixed terms of repayment.

## 10. Deferred revenue

	2015	2014
	\$	\$
DFATD contributions	59,293	—
Restricted donations	15,000	—
	74,293	—

## 11. Commitments

The Foundation is committed to grants totalling US\$1,244,736 [2014 – C\$1,000,000, US\$1,396,819, and CLP\$21,225,000] payable from unrestricted net assets and future donations. Disbursement of these grants is conditional on the recipients meeting certain criteria and providing certain supporting information.

## 12. Loan guarantees

The Foundation has entered into the following loan guarantee agreements with Northern Initiatives ["CDFI"] and Association Los Helados [the "Association"], which remain active as at December 31, 2015.

### CDFI

[a] CDFI is to provide loans for the benefit of individuals or companies with 1-20 employees resident or operating in the Marquette County and whose loan is partially guaranteed by the Eagle Emerging Entrepreneurs Fund ["Clients"].

[b] The Foundation deposited US\$250,000 in 2013 in an insured depository institution selected by the CDFI, fully

capitalizing the Foundation's guarantee of loans that will be granted by CDFI to Clients.

[c] The Foundation will guarantee 75% of each loan granted by CDFI to eligible Clients, in accordance with the terms of the guarantee.

[d] As at December 31, 2015, CDFI has disbursed business loans of US\$345,700 [2014 – US\$130,298] to eligible Clients.

### The Association

[a] The Association is a non-profit entity with its main goal to develop and support plans and programs to micro-entrepreneurs for Copiapo and Tierra Amarilla, and whose loan is partially guaranteed by the Financing Program "Convenio Programa de Financiamiento."

[b] The Foundation deposited the US dollar equivalent of CLP\$75,000,000 to Banco Credito y Inversiones, an insured depository institution selected by the Association, fully capitalizing the Foundation's guarantee of loans that will be granted by the Association to Clients.

[c] The Foundation will guarantee 75% of each loan granted by the Association to eligible Clients, in accordance with the terms of the guarantee.

## 13. Repayable grant scheme

### Karowe Emerging Entrepreneurs Fund ["KEEF"]

[a] The Lundin Foundation, Lucara Diamond Corp. and Boteti Mining (Pty.) Ltd. have set up a Repayable Grant Scheme designed to assist emerging businesses in the Boteti Sub-District. KEEF is a micro enterprise scheme that provides funding, training, mentoring and support for new and existing businesses. KEEF provides access to finance for both working capital and capital expenditure.

[b] KEEF offers Repayable Grants with a 5% administration fee, which is a percentage of the approved grant amount. The Repayable Grant is to be repaid, within a maximum of 5 years. Early repayment has financial and non-financial incentives.

[c] During 2015, KEEF has disbursed seven loans of total BWP\$733,527 [equivalent of C\$97,217].

## 14. Term deposit

The term deposit bears interest at 2.4% per annum and matures in August 2017.

## 15. Subsequent events

In December 2015, the Lundin Foundation's Board of Directors approved the sale of four of its impact investments [African Management Initiative, Honey Care Africa Ltd., Injaro Agricultural Capital Holdings Ltd. and M-Kopa, LLC] at a price determined by an independent valuator. While no formal transaction had been consummated as at December 31, 2015, it is envisioned that the Lundin Foundation will receive consideration in the form of a 5-year promissory note on the execution of an agreement.

## 16. Comparative information

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year's excess of revenue over expenses for the year.



# SCHEDULE OF GRANTS

Expressed in Canadian dollars

## Schedule 1

Year ended December 31	2015	2014
	\$	\$
African Management Initiatives	41,525	—
Asociacion Los Helados – Fondos Concursables	—	55,225
Asociacion Los Helados – Tierra Amarilla	29,870	29,822
Boteti Mining (Pty.) Ltd.	—	7,900
Catering Las Penas	19,768	—
CDS	—	6,025
CIPMEN	—	33,135
Equity Group Foundation	325,541	—
Farm Africa	—	353,800
Fauna & Flora Intl	157,981	180,033
LEWA Wildlife Conservancy	24,088	—
Medeem LLC	294,493	358,963
M-Kopa Services LLC	—	12,426
Northern Rangeland Trust	149,651	336,872
Northern Economic Initiatives Corp	44,824	—
Penampang Renewable Energy Sdn. Bhd	61,669	160,153
PETRAD	65,424	33,011
Population Services	210,781	406,730
PT Anekatek Consultants	—	220,900
Rare Inc.	—	662,700
Sinergi SA	—	3,471
Stony Brook Foundation	334,000	497,025
Trauma Care Ethiopia	—	44,159
Trust for African Rock Art	6,257	49,703
VilCap, Inc.	—	43,076
Contractors & Equipment – Abbatoir	1,001,962	—
Contractors & Equipment – LODWAR	830,786	—
	3,598,620	3,495,129

See accompanying notes

# SCHEDULE OF OTHER ITEMS

Expressed in Canadian dollars

## Schedule 2

Year ended December 31	2015	2014
	\$	\$
<b>Investment income</b>		
Restructuring costs	—	(14,451)
Recovery of expenses on investments	24,280	—
Interest on loans	172,063	65,412
Foreign exchange gain	995,362	407,504
Holding gain on marketable securities	9,633	—
Investment income from grant management	8,620	8,574
Investment income from equity venture investments	193,066	90,651
	1,403,024	557,690
<b>Consultancy fees</b>		
Abraham Bravo	—	(16,791)
Better Trading Co.	(10,375)	(2,687)
Bima Arief Koesoemawira	—	(229)
Boteti Mining (Pty.) Ltd.	—	(18,428)
City and Guilds UK	—	(47,711)
DIVAC Pty Ltd.	—	(15,636)
EA Tax Consulting	(2,247)	—
Ernesto Contrera Munoz	—	(4,232)
FEDES	(97,671)	—
Harry Brainch	—	(8,991)
Jorge Barandiaran	—	(462)
Kurhama Consultants	(8,099)	—
Microsave Consulting	(8,949)	—
Norcat	(43,618)	—
Offsetters Clean Technology	—	(23,379)
Oil and Energy Services Ltd.	(78,508)	—
PTThe Apex Group Consulting	—	(83,131)
Pricewaterhouse Coopers	(8,859)	—
SAIT Polytechnic	—	(51,975)
Stockford Africa	—	(34,392)
Stunner Travel Ltd.	—	(954)
Tumelo Edgar Mokoka	—	(11,351)
	(258,326)	(320,349)

See accompanying notes

# SCHEDULE OF OTHER ITEMS

Expressed in Canadian dollars

## Schedule 3

Year ended December 31	2015	2014
	\$	\$
<b>Reimbursed expenses</b>		
Office	(5,514)	(21,509)
Rent	(86,458)	(38,835)
Salaries	(418,458)	(192,884)
Travel	(111,906)	(60,480)
	(622,336)	(313,708)

During 2015, the Foundation charged \$85,639 [2014 – nil] of expenses directly to AHLCF in addition to the above reimbursed expenses. As a result, the total receivable balance from AHLCF as at December 31, 2015 was \$707,975 [2014 – \$300,521].

See accompanying notes



# GOVERNANCE

## Chair

### Lukas Lundin

Mr. Lundin is known for recognizing value and superior global investment opportunities in the natural resource sector. Mr. Lundin currently serves as a Director of a number of publicly traded companies. He has a growing list of accomplishments, including raising hundreds of millions of dollars for exploration projects, and developing huge resource discoveries into production as principal of the Lundin Group of mining and oil and gas companies. Mr. Lundin balances out his abundant energy by participating in extreme sports such as the Paris Dakar motorcycle race, hiking Mount Kilimanjaro and extreme skiing. He combined his love for extreme sports with his global awareness of critical issues to make a positive impact in Africa by riding a motorcycle from Cairo to Cape Town in 2006, creating the Lundin Foundation in the process. As the visionary for the Lundin Foundation, Mr. Lundin follows in the adventurous spirit of his father, Adolf Lundin, who was one of the first entrepreneurs to realize the multiple opportunities Africa presents. The Lundins have been working actively in Africa for more than thirty years.

## Directors

### Christine Batruch

Ms Batruch is a historian and lawyer by training. She is a graduate of the University of Toronto and McGill University and was admitted as a barrister and solicitor to the Law Society of Upper Canada in 1990. Based in Geneva since then, Ms. Batruch has worked in the non-profit, academic and business sectors. She participated in the establishment in Ukraine of a number of non-profit institutions linked to the Soros network of foundations. Concurrently she was liaison officer and assistant professor at the International Academy of the Environment. As VP Corporate Responsibility at Lundin Petroleum, which she joined in 2001, Ms. Batruch is responsible for strategy in relation to Anti-Corruption, Health, Safety and Environment (HSE), Human Rights and Sustainable Investments. In addition to her board position with the Lundin Foundation, Ms. Batruch serves on the Board of Directors of the Fondation Vidrodenia, on the Advisory Boards of the Business and Human Rights Platform of the Business School of Lausanne and of the International Philanthropic Society in Stockholm, as well as on the Editorial Advisory Boards of the Journal of World Energy and Business and of Oil, Gas and Energy Law Intelligence.

### Alex Budden

Before joining Africa Oil as Vice President, External Relations, Mr. Budden served as a diplomat for the British Foreign and Commonwealth Office for 21 years. His international experience has seen him serve in Africa, Asia, the Middle East, Russia, the Balkans and North America. Throughout his career he has focused on international security, conflict, governance, human rights, energy and environment issues and specializes in government and security relations, complex stakeholder management and strategic communications work. From 2005-2008 he was based in East Africa advising the British Government on political, security, social and economic issues in the region. From 2008-2012 he represented the British Government in Canada on commercial, environmental and energy security issues with a focus on the hydrocarbon and renewables sectors.

### Kevin Campbell

Mr. Campbell is currently a Managing Director of Investment Banking at Haywood Securities Inc., and focuses exclusively on advisory and finance in the mining sector. Mr. Campbell primarily works with corporations whose assets are located in the developing world. In addition, Mr. Campbell's own Lochmaddy Foundation, a charitable organization, pursues investments in both basic needs and livelihood programs in Africa, specifically concentrating on West Africa at this time.

### Paul Conibear

Mr. Conibear is a professional engineer who brings over 30 years of senior leadership experience from predominantly developing countries to the Board of Lundin Foundation. Mr. Conibear is currently the President and CEO of Lundin Mining, is a Director of several Lundin Group companies and was the former President and CEO of Tenke Mining Corp. and head of Tenke Fungurume Project in the Democratic Republic of Congo. Mr. Conibear understands the importance of corporate social responsibility for international companies operating in developing countries, and brings insight into social development needs and the issues facing local communities.

### Stephen Nairne

Mr. Nairne has served as the Lundin Foundation's Managing Director since 2007. He serves on the Advisory Board of several SME funds and companies in Sub-Saharan Africa and is concurrently an Adjunct Professor at the University of British Columbia, where he teaches courses on Country and Project Risk Analysis in Developing Countries and African Political Economy. Prior to joining the Lundin Foundation, Mr. Nairne served as Deputy Director with Canada's Department of Foreign Affairs and International Trade's Pacific Office and as Senior Political Risk Analyst at Export Development Canada. He holds a Bachelor of Commerce degree from McGill University and a Master of Arts from the Norman Paterson School of International Affairs at Carleton University.

# MANAGEMENT TEAM

## **Stephen Nairne**

*Managing Director, Lundin Foundation*

Mr. Nairne has served as the Lundin Foundation's Managing Director since 2007. He serves on the Advisory Board of several SME funds and companies in Sub-Saharan Africa and is concurrently an Adjunct Professor at the University of British Columbia, where he teaches courses on Country and Project Risk Analysis in Developing Countries and African Political Economy. Prior to joining the Lundin Foundation, Mr. Nairne served as Deputy Director with Canada's Department of Foreign Affairs and International Trade's Pacific Office and as Senior Political Risk Analyst at Export Development Canada. He holds a Bachelor of Commerce degree from McGill University and a Master of Arts from the Norman Paterson School of International Affairs at Carleton University.

## **Cornelio Delgado**

*Director, Local Content*

Mr. Delgado joined the Lundin Foundation in July 2015 and is responsible for designing and implementing strategic initiatives that leverage the opportunities arising from extractive industry operations to benefit locally impacted communities in Latin America. He brings 15 years of experience in economic development, investment attraction, public-private partnerships and value chain development, and has worked with international agencies such as USAID, Carana and the World Bank. As the vice-minister of Production and Competitiveness in Ecuador he led the development of the National Corporation for Investment Attraction. Mr. Delgado has Bachelor of Arts in Economics and Sustainable Development, a Diploma in International Economic Relations and a Master's degree in Public Administration with a focus in Mining and Supply Chain Development from Queen's University.

## **Ka-Hay Law**

*Portfolio Director, Extractives and Sustainable Development*

Ms. Law leads the Foundation's Extractives and Sustainable Development portfolio. She joined the Foundation in 2011 expanding the Foundation's impact investments – including deal sourcing, closing and monitoring investments. In 2013 she relocated to Nairobi to open and lead the Foundation's regional office. With nearly 10 years of experience working with SMEs and private sector development in Africa, Ms. Law brings deep insight into the inner workings of small businesses and the evolving business models required to serve rural African markets. She also brings two years of experience in corporate social responsibility advisory services and holds a degree in engineering from the University of British Columbia.

## **Joanne Liu**

*Finance and Accounting Manager*

Ms. Liu joined the Lundin Foundation in January 2014 and provides strategic leadership in accounting and finance management. She has over 10 years of experience in various for-profit and non-profit organizations. Her expertise lies in providing comprehensive accounting functions and financial reporting, monitoring operational efficiencies and implementing controls and procedures.

She holds a Bachelor of Arts degree from the University of British Columbia, and a Diploma of Technology in Financial Management from the British Columbia Institute of Technology. She obtained her Certified General Accountant designation in 2013.

## **Joy Muballe**

*Investment Manager, East and Southern Africa*

Ms. Muballe manages the Foundation's strategic grants in Kenya and advises companies in the Foundation's investment portfolio. Prior to joining the Foundation, she was project manager of the Clean Energy Program at Equity Bank in Kenya, focused on scaling access to clean household energy technologies through the Bank micro lending programs. Ms. Muballe has also co-founded an IT services company and worked as a market analyst with Aga Khan University, assessing feasibility of regional expansion of the faculty programs. Ms. Muballe holds an MBA from Vlerick Business School in Belgium where she attended as a Kofi Annan Fellow.

## **Anna Samaké**

*Portfolio Manager, Central and West Africa*

Ms. Samake joined the Foundation in August 2012 and manages the Foundation's investment and grant activities in West and Central Africa. She is also responsible for overseeing the Foundation's West Africa Technical Assistance Facility. Ms. Samaké brings over 17 years of experience in banking, micro-finance and entrepreneurship development in West Africa. Ms. Samaké has a MBA from Quebec University in Montreal and has a Maitrise Degree in Private Law from the National Administration School, Mali.

## **Micah Sarkas**

*Investment Manager, East and Southern Africa*

Mr. Sarkas is the Investment Analyst for the Lundin Foundation and is currently responsible for the sourcing, due diligence and evaluation of new investments and grants. Prior to joining the Lundin Foundation, he worked in the banking and asset management sector in London and Cape Town, where he held positions in both JP Morgan and BlackRock. Mr. Sarkas started out his career in small business where he managed a kitchen design and manufacturing business in South Africa. Micah is a Chartered Financial Analyst Charterholder. He holds an MBA from the University of Cape Town, Graduate School of Business.

**Dr. Karamo N.M. Sonko***Special Advisor*

Dr. Sonko is Executive Vice President for Africa of the Sand Group of Companies, a Lundin Group company, and Chair of his own Foundation, Heeno International, which is active in Africa. He has a BA (First Class) from the University of Swaziland, M.Phil. from the University of Cambridge, UK, and a PhD (with Distinction) from the University of Denver, Colorado, in International Economics & Development. Dr. Sonko has advised many multinational companies on African investment strategies and has worked for international institutions, including the United Nations and the International Monetary Fund. He has taught at five universities in the United States, Canada and France, and has written and published extensively on Africa. Dr. Sonko has been involved in humanitarian work in the Lundin Group since 2006, when he became special advisor to the Lundin Foundation.

**Charlotte Ward***Portfolio Director, East and Southern Africa*

Ms. Ward joined the Lundin Foundation in 2014 in Nairobi to lead the portfolio in East and Southern Africa, and represents the Foundation on Boards and Advisory committees. She has experience in investment banking, project finance and managing small business development support programs in emerging markets. Prior to joining Lundin she managed the GSMA Mobile for Development Foundation program for energy and water in Africa and Asia. Ms. Ward also spent seven years with Deutsche Bank in the Global Markets division and finally as Vice President for Equity Prime Services. Charlotte holds a BSc (Hons) from Bristol University and a MSc from Sydney University in Applied Environmental Science.



# CONTRIBUTING PARTNERS AND 2015 INITIATIVES



Eagle Mine,  
Michigan, USA.



## Responsible Mineral Development

The Foundation is primarily supported by contributions of Lundin Group companies. The Lundin Group views its commitment to corporate responsibility as a strategic advantage that enables it to both access and effectively manage business opportunities in increasingly complex environments. The Lundin Group is committed to addressing the challenge of sustainability – delivering value to its shareholders while simultaneously providing economic and social benefits to local communities and minimizing its environmental footprint.

Specific commitments include:

- Prioritizing the health and safety of employees and proximate communities
- Meeting and, where possible, exceeding all regulatory requirements in environmental performance
- Supporting and protecting internationally recognized human rights
- Actively engaging and maintaining dialogue with a broad range of stakeholders in a spirit of transparency and good faith
- Maximizing employment and business opportunities for locally impacted communities
- Maintaining the highest standards of corporate governance and ethics





Lodwar Youth Polytechnic  
Lundin/Equity Bank Emerging Entrepreneurs Fund  
Nech Shar EcoTourism  
PETRAD scholarships



Karowe Emerging Entrepreneurs Fund  
Letlhakane Abattoir



APEOSAE coffee producers  
Catering Las Peñas  
Centre for Mining Innovation and Industry  
ECOLAC Dairy Producers



Eagle Emerging Entrepreneurs Fund  
PSI/Zinc Initiative



Electric Vine Industries  
Oryx Impact Initiatives  
Penampang Renewable Energy  
RARE Conservation



BCI Loan Guarantee



Global Affairs  
Canada  
Affaires mondiales  
Canada

The Foundation also partners with Global Affairs Canada on the West Africa Technical Assistance Facility, focused on improving the smallholder agricultural sector in West Africa.





Opening of Flying Moose Cafe, an investee of the Eagle Emerging Entrepreneurs Fund.



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