

# ANNUAL REPORT 2014



LUNDIN FOUNDATION



[lundinfoundation.org](http://lundinfoundation.org)





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Cover photo ©: M-Kopa Solar/  
Georgina Goodwin, 2014  
This page photo ©: RARE

MESSAGE FROM THE CHAIR

The Lundin Foundation is pleased to present its 2014 Annual Report. This report summarizes both our impact investing and extractives and sustainable development operations.

Our impact investment portfolio continues to mature and has performed well, delivering strong social and financial returns. Our investments currently support 74 small and medium sized enterprises (SMEs) with US\$91 million in revenue and 3,781 employees. I am pleased to report that the Lundin Foundation was recognized as one of the Top 40 Institutional Investors in Sub-Saharan Africa in 2014.

Our focus in 2014 shifted from sourcing and structuring new investments to follow-on opportunities and value creation in our existing portfolio. Among the year’s highlights was the final closing of Injaro Agricultural Capital Holdings Ltd. (IACHL), with US\$32 million in additional capital commitments from three European Development Finance Institutions. IACHL’s final closing marks the culmination of a four-year effort to catalyze additional finance to under-served seed and agro-processing companies across West Africa.

Significant effort has been dedicated to building our extractives and sustainable development portfolio in tandem with contributing partners. The focus of this effort is to leverage extractive industries to catalyze inclusive economic development in locally impacted communities. Our strategy is comprised of four pillars: improved resource governance by national and local authorities; education and skills training to maximize local hire; supply chain development to maximize goods and services sourced from local producers; and economic diversification activities targeting wealth and employment creation in sectors independent of extractive activities.

Over the course of 2014, the Foundation continued to expand its field presence through the hiring of new staff to support pipeline development, value creation activities and effective portfolio monitoring. Its geographic footprint also expanded, with new initiatives underway in Indonesia, Malaysia, Chile and Ecuador.

We are grateful for the continued trust and support of our stakeholders and contributing partners. I would like to personally thank the Foundation’s staff and Board of Directors for their ongoing dedication over the past year. I remain deeply committed to ensuring that an entrepreneurial, risk-taking spirit continues to underpin our approach to achieving lasting impact.

Lukas H. Lundin  
Chair







MEDEEM client with ParcelCert survey product.  
Photo ©: MEDEEM

## WHO WE ARE

The Lundin Foundation is a philanthropic organisation founded originally by the Lundin family. The Foundation is supported primarily by the contributions of extractive companies with the highest commitment to corporate responsibility. Headquartered in Vancouver, and with regional offices in Accra and Nairobi, the Foundation's activities are aligned with the geographical footprint of its contributing partners.

The mission of the Foundation is twofold:

### Impact Investments

The Foundation makes impact investments, together with accelerator grants and targeted technical assistance, in support of innovative and scalable SMEs and social enterprises. Impact investments are investments made into companies, organisations and funds with the explicit intention of generating a positive social and environmental impact alongside financial return.

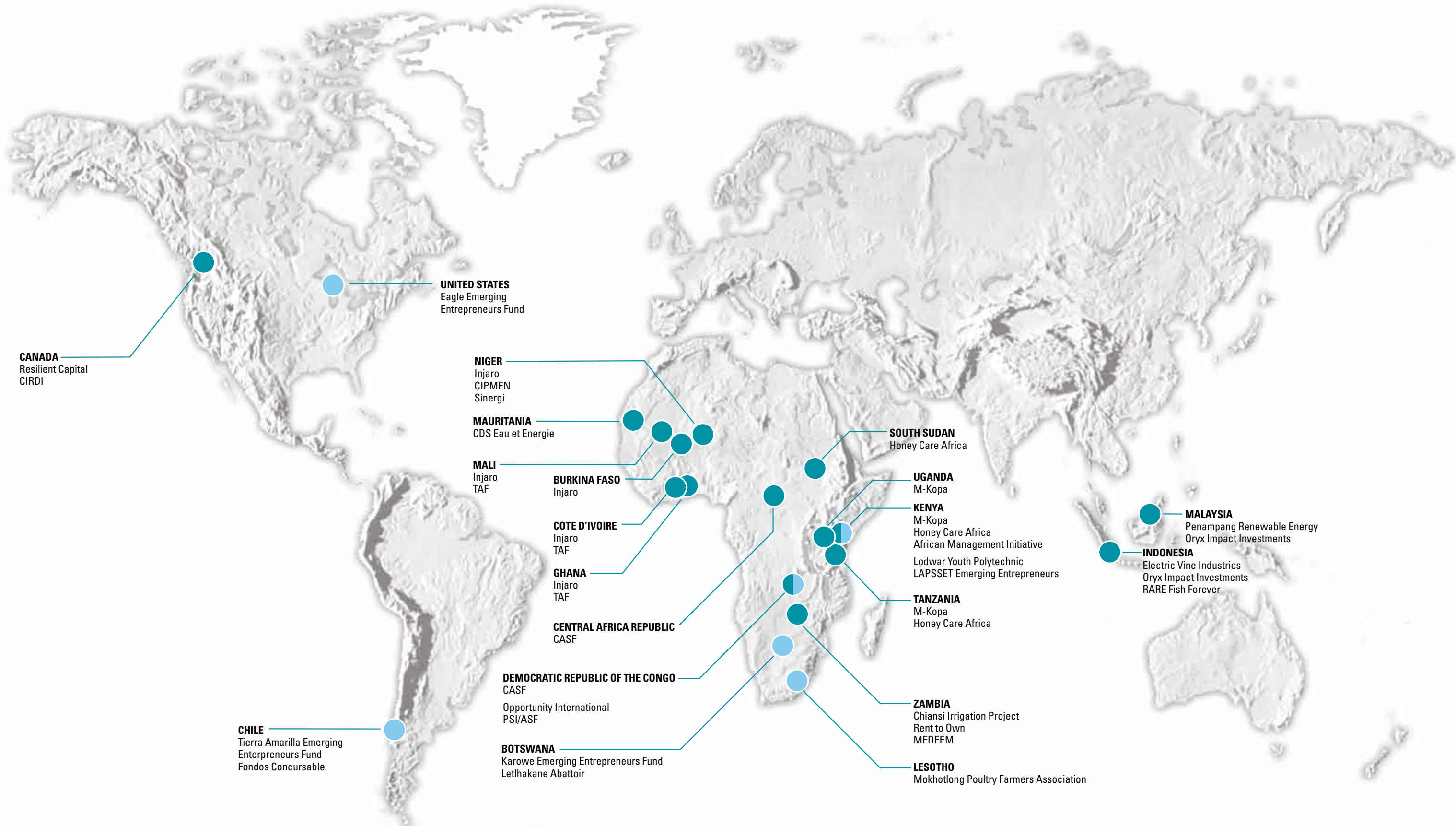
### Extractives and Sustainable Development

The Foundation works in partnership with contributing partners to design, implement and monitor initiatives which have direct and indirect benefits for communities impacted by extractive companies.

**In 2014, the Foundation supported 28 initiatives in 19 countries worldwide.**

Please visit [www.lundinfoundation.org](http://www.lundinfoundation.org) for more details.





**Acronyms**  
CASF – Central Africa SME Fund  
TAF – Technical Assistance Facility  
CIRDI – Canadian International Resources and Development Institute  
PSI/ASF – Population Services International et l'Association de Santé Familiale

Lundin Foundation Initiatives

- Impact Investments
- Extractives and Sustainable Development

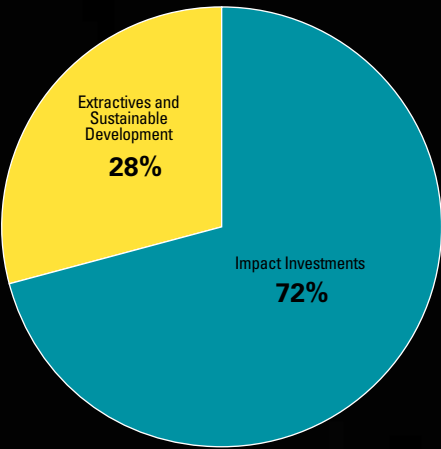


# PORTFOLIO SUMMARY

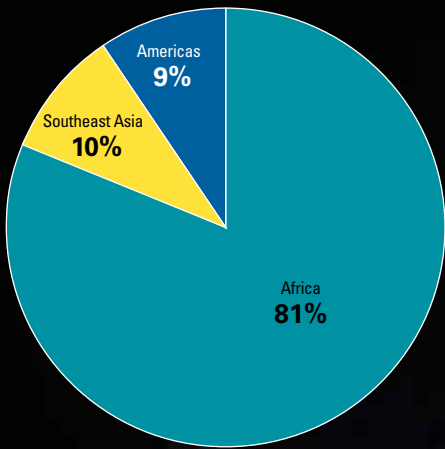
Since 2006, the Lundin Foundation has disbursed more than \$35 million.

As of December 31, 2014, the Foundation had active impact investment commitments of \$15.1 million and active extractives and sustainable development initiatives totaling \$6 million.

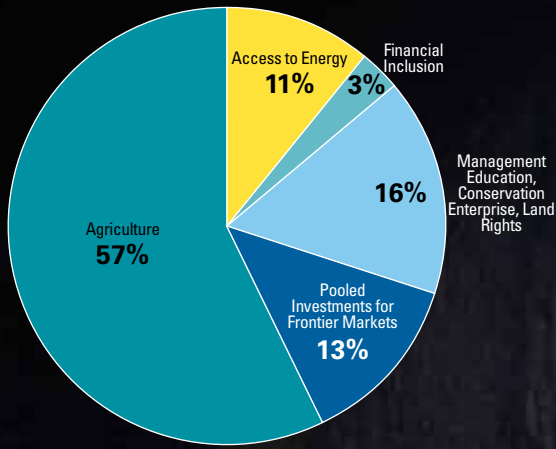
% of Capital Commitment



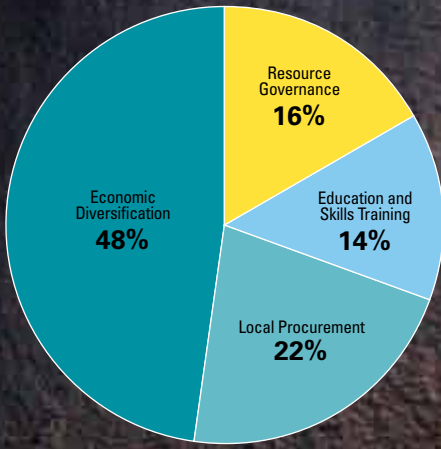
Target Geographies



Target Sectors



Initiative Area



## Impact Investments

The Foundation’s impact investments are targeted primarily at three sectors: Agriculture, Access to Energy and Financial Inclusion. The Foundation also supports pooled investment vehicles targeting SMEs in under-served frontier markets.

## Extractives and Sustainable Development

The Foundation’s Extractives and Sustainable Development initiatives support improved resource governance, education and skills training, local procurement and economic diversification.



“I can now sew my children’s clothes at night. My children can also read, without worrying about spending too much on kerosene” – Evelyn Chelimo, M-Kopa Solar client in Eldama Ravine, Kenya  
Photo ©: M-Kopa Solar/Georgina Goodwin, 2014





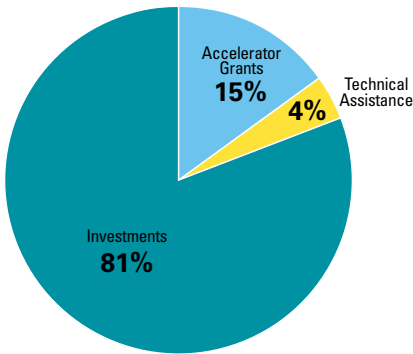
Electric Vine Industries  
installs solar micro-grids  
in Papua, Indonesia  
Photo ©: Electric Vine  
Industries

# IMPACT INVESTMENT STRATEGY

## Fit for Purpose Capital

The Foundation’s investment activities target high potential SMEs and social enterprises led by strong management teams. The Foundation offers accelerator grants, targeted technical assistance, and patient risk capital to help companies validate and refine business models and achieve scale.

## % of Committed Capital



## Priority Sectors

The Foundation invests into the following priority sectors with demonstrable links to improving the lives of millions of people living at the bottom of the economic pyramid in our countries of operations.

### Smallholder Agriculture and Sustainable Fisheries

In Africa, over 75% of the population relies on agriculture for livelihoods. In Southeast Asia, nearshore fisheries support the livelihoods of millions of households living on coastlines.

### Access to Energy

Over 1.6 billion people around the world lack access to clean energy products. New business models that overcome affordability, reliability and distribution challenges are needed to enable broader access to energy.

### Financial Inclusion

Only 10% of the world’s population has access to affordable financial services. Financial services such as insurance, leasing and savings mechanisms adapted for rural and low income populations can help millions of people improve their financial safety net, invest in productive assets, grow businesses and boost incomes.

### Conservation Enterprise

Conservation enterprises (e.g. ecotourism, agriculture) have the potential to simultaneously protect the environment and wildlife, and provide economic benefits to local communities in areas with high biodiversity value.

## Value Creation Strategy

Investments in early stage SMEs and social enterprises require a level of engagement that extends well beyond money. Over a 7 to 10 year holding period, the Foundation provides portfolio companies with ongoing advice and support with a view to creating long-term value.

Typical support includes:

- Business model and strategy
- Targeted technical assistance
- Recruitment of key personnel
- Linkages to business opportunities and partners
- Convening training and knowledge sessions
- Corporate governance
- Impact monitoring and measurement





MEDEEM staff conducts land survey process.  
Photo ©: MEDEEM

# IMPACT INVESTMENT PORTFOLIO

Investment	Sector	Geography	Commitment CAD\$
AMI	Management Education	Pan Africa	580,000
CASF	Pooled Investment	DRC, CAR	1,600,000
CDS Eau et Entreprise	Access to Energy	Mauritania	98,000
Chiansi Irrigation	Agriculture	Zambia	580,000
CIPMEN	Pooled Investment	Niger	90,000
Electric Vine Industries	Access to Energy	Indonesia	221,000
Honey Care Africa	Agriculture	Kenya, South Sudan	604,000
Injaro Agricultural Capital	Agriculture	West Africa	5,535,000
Medeem	Land/Property Rights	Zambia	1,495,000
M-Kopa	Access to Energy	Kenya, Uganda, Tanzania	1,077,000
Opportunity International	Financial Inclusion	DRC	290,000
Oryx Impact Investments	Conservation Enterprise	Indonesia, Malaysia	392,000
Penampang Renewable Energy	Access to Energy	Malaysia	208,000
RARE Fish Forever	Sustainable Fisheries	Indonesia	1,359,000
Rent to Own	Financial Inclusion	Zambia	153,000
Resilient Capital	Pooled Investment	Canada	250,000
Sinergi	Pooled Investment	Niger	58,000
Technical Assistance	Agriculture	Pan Africa	482,000
			<b>15,072,000</b>





# IMPACT HIGHLIGHTS



## Catalytic Financing

The Foundation invests in early stage companies and first-time fund managers led by strong management teams, enabling the establishment of a track record and improving the likelihood of the company attracting follow-on investment. Across our portfolio, six **investees closed an additional US\$70.1 million in financing** after our initial investment, and two more are on track to close over US\$50 million in new financing in 2015.



## Agriculture

Our agricultural investments support companies sourcing crops from, and marketing improved agricultural inputs to, smallholder farmers. In 2014, **over US\$5.1 million was paid by portfolio companies to smallholder farmers** producing honey, shea and improved seeds.



## Access to Energy

Our investments focus on scaling access to affordable energy to low income households. Across East and West Africa, **our investees have connected 150,899 rural households to cleanaffordable lighting and energy.**



## Financial Inclusion

Our investments are targeted at expanding financial services such as loans, savings, payments, leasing and insurance to low income and traditionally underserved markets. **Our investments have enabled over 1,000 clients to lease \$1 million in productive assets** in Zambia alone.

## 2014 Summary

Number of SMEs supported through our investments

**74**

Clients accessing improved product and services from investee companies

**610,626**

Number of people employed at portfolio companies

**3,781**

Wages paid

**US\$6 million**

Revenue generated by portfolio companies

**US\$91 million**



# IMPACT INVESTMENT PORTFOLIO HIGHLIGHTS



Blue swimming crab fisherman  
in Betahwalang, Indonesia



Photo ©: M-Kopa Solar/  
Georgina Goodwin, 2014

## M-KOPA SOLAR KENYA, UGANDA, TANZANIA

### Enabling Access to Energy

M-Kopa Solar is an innovative energy company that offers solar energy units to rural households via a mobile money and pay as you go model. The 8W systems powers lights, radio and phone charging. After paying for one year of service, consumers own the energy unit, resulting in on-going cost savings.

#### Highlights

M-Kopa has emerged as the global leader in off grid energy. By the end of 2014, M-Kopa has connected over 150,000 homes to clean, renewable energy and is adding 500 new customers per day. Significantly, M-Kopa is enabling low income households access to energy; 80% of M-Kopa clients live on less than \$2/day. This is translated to additional education and household benefits – 92% of households report that children are able to study more, and the same number feel safer at night as the solar unit removed the risk of fire or burns caused by kerosene.

M-Kopa's growth also has significant impact on the local economy. The company employs over 500 staff in Nairobi, representing a 100% increase from 2013. The sales network throughout the country – with over 1,000 agents in rural communities is also an important source of income as high performers can earn an estimated \$850/month, putting them at the top 25% of earners based on their age group and socio-economic bracket.

In 2014, the company successfully closed an additional round of US\$16.2 million in debt and equity financing to support expansion into Tanzania and Uganda.





AMI Learning Lab



Faso Kaba seed collection, Mali

## AFRICAN MANAGEMENT INITIATIVE PAN AFRICA

### Strengthening Human Capital

Attracting, retaining and developing human capital is one of the top challenges faced by organisations across Africa's public, private and non-profit sectors. Effective and responsible managers are integral to strong and visionary public and civil society organisations and the growth of thriving SMEs.

African Management Initiative (AMI) aims to empower 1 million African managers and entrepreneurs through practical and accessible management training. AMI capitalises on a tech-savvy consumer market by offering training developed in partnership with leading African business schools via an on-line platform in combination with in-person training sessions.

#### Highlights

In 2013, the Foundation provided AMI with an accelerator grant to pilot an initial on-line platform. The success of the pilot enabled AMI to close the first round of investment with two new investors and enabled the commercial launch in 2014 and establishment of operations in Kenya.

Since its commercial launch, AMI has reached over 8,000 trainees through a blend of on-line and in-person training targeted at addressing management gaps in small and growing companies. AMI is servicing a large unmet demand – 75% trainees were from companies with less than 50 employees, 76% of trainees were entrepreneurs or hold management positions within their companies and 98% intend to take follow-on courses.

AMI's innovative approach to training was recognised by Rockefeller Foundation as one of five recipients of its Innovations in Accelerating Impact grants.

## INJARO AGRICULTURAL CAPITAL HOLDINGS LTD

COTE D'IVOIRE, BURKINA FASO, GHANA, MALI, NIGER

### Supporting Smallholder Agriculture

Agriculture plays a central role in millions of lives across Africa. Small agriculture businesses are essential actors in agricultural value chains, boosting productivity through access to improved inputs, offering markets for goods produced by smallholder farmers, and generating employment opportunities in rural communities.

The Foundation, recognising the need for targeted agricultural financing in West Africa, seeded the growth of Injaro in 2010. Injaro Agricultural Capital is an investment company which targets high potential agricultural companies in Ghana, Cote d'Ivoire, Burkina Faso, Mali and Niger.

#### Highlights

Injaro has invested in seven companies across various value chains including poultry inputs supplier in Cote d'Ivoire, a cashew processing company and processor and producer of personal care products made from shea butter in Ghana, and four seed production companies in Ghana, Burkina Faso, Niger and Mali.

In August 2014, Injaro announced the final closing of Injaro Agricultural Capital Holdings Limited, with total commitments of US\$49 million. Final closing commitments of US\$32 million were received from European development finance institutions comprising CDC, via its DFID Impact fund; from FMO, via its MASSIF Fund; and from PROPARCO, via its Investment and Support fund for Business in Africa (FISEA), respectively.





# EXTRACTIVES AND SUSTAINABLE DEVELOPMENT STRATEGY

Extractive industries – mining, oil and gas – can create much-needed job and wealth creation for locally impacted communities. There is an increasing consensus among regional and national governments that enhancing human capital and the capacity of the local private sector to leverage opportunities arising from operations leads to vibrant local economies and sustained benefits to a large number of stakeholders.

## The Foundation supports strategic initiatives across four dimensions:

### Resource Governance

The Foundation assists developing countries to leverage the potential of their natural resources into long-term sustainable livelihoods through strategic projects and targeted training and capacity building in key ministries.

### Education and Skills Training

The Foundation supports initiatives aimed at making vocational and technical training accessible and affordable. In partnership with local governments, the Foundation supports key educational infrastructure specific to extractive industries and in line with national education priorities and international best practices.

### Local Procurement

The supply chain of extractive resource operations can offer important business contracts to local companies. The Foundation supports initiatives that provide financing and technical assistance to ensure local companies can be integrated into supply chains on a competitive basis.

### Economic Diversification

The growth of the extractive resource sector can spur additional indirect benefits to the local economy including business opportunities, increased stability and diversity of markets, knowledge transfer and enhancing access to capital and human resources. The Foundation supports initiatives targeting economic growth in sectors unrelated to extractive resource operations to ensure long-term prosperity.



# EXTRACTIVES AND SUSTAINABLE DEVELOPMENT PORTFOLIO

Initiative	Sector	Geography	Commitment
			CAD\$
Tierra Amarilla Emerging Entrepreneurs Fund	Economic Diversification	Chile	174,000
Eagle Emerging Entrepreneurs Fund	Economic Diversification	USA	290,000
Letlhakane Abattoir	Economic Diversification	Botswana	959,000
Karowe Emerging Entrepreneurs Fund	Economic Diversification	Botswana	145,000
LAPSSET Emerging Entrepreneurs	Local Procurement	Kenya	1,160,000
Mokhotlong Poultry Farmers Association	Local Procurement	Lesotho	136,000
Lodwar Youth Polytechnic	Education and Skills Training	Kenya	831,000
PSI/ASF	Economic Diversification	Democratic Republic of Congo	1,104,000
CIRDI	Resource Governance	Canada/International	1,000,000
Fondos Concursable	Economic Diversification	Chile	170,000
			<b>5,969,000</b>

# EXTRACTIVES AND SUSTAINABLE DEVELOPMENT PORTFOLIO HIGHLIGHTS



Mmoneng Tsapo of Tsapo Holdings stands by a brick making machine he bought as the first grantee of Karowe Emerging Entrepreneurs Fund. Letlhakane, Botswana.





Ground-breaking for construction at Lodwar Youth Polytechnic, Lodwar, Kenya.

# CANADIAN INTERNATIONAL RESOURCES AND DEVELOPMENT INSTITUTE (CIRDI)

Funding Partners – Government of Canada

## Resource Governance

The Canadian International Resources and Development Institute (CIRDI) is a coalition of the University of British Columbia (UBC), Simon Fraser University (SFU) and École Polytechnique de Montréal (EPM), working in partnership with the Canadian Government, civil society and industry to improve, in a measurable manner, the ability of developing country governments to manage, and benefit from, their extractive sectors in order to catalyze sustainable economic growth and reduce poverty. CIRDI operates with financial support from the Government of Canada, through the Department of Foreign Affairs, Trade and Development Canada (DFATD), and with contributions from strategic partners.

CIRDI conducts applied research, offers education/training programs, convenes stakeholders, and delivers projects across three programmatic themes:

1. Fiscal and Regulatory Governance
2. Integrated Resource Management
3. Livelihoods and Employment

CIRDI focuses its support on DFATD priority countries where the extractives sector comprises greater than 5% of GDP.

# LODWAR YOUTH POLYTECHNIC KENYA

Funding Partner – Africa Oil

Project Partners – Turkana Government, Tullow Oil

## Education and Skills Training

The recent discoveries in upstream oil and gas in Kenya and East Africa have the potential to contribute greatly to national and regional development if well harnessed. It is anticipated that over 60% of new jobs created from the emerging oil and gas sector will require vocational and technical training. Creation of accessible training at industry standards can ensure local populations are qualified to fill employment opportunities directly and indirectly linked to operations.

The Foundation – in partnership with the Turkana Government, Directorate of Technical Vocational and Education Training within the Ministry of Higher Education, Science and Technology, Africa Oil and Tullow Oil – is supporting the enhancement of the Lodwar Youth Polytechnic into an industry recognised technical and vocational training centre in Lodwar, Turkana. This site is adjacent to the most promising discoveries in Kenya and will optimize the opportunities for the local populations most impacted by operations.

Facility construction will take place in 2015 and the first two training programs – Electrical Installation and Plumbing – will have their first intake of students in January 2016.





## MOKHOTLONG POULTRY FARMERS ASSOCIATION

LESOTHO

Funding Partner – Lucara Diamond

Project Partner – CARE Canada

### Local Procurement

The poultry industry in Lesotho has failed to attract sufficient local or foreign investment to meet growing domestic demand for poultry products. In 2013, the Lundin Foundation and CARE identified an opportunity to establish a commercial egg production initiative as a means of improving incomes and food security Mokhotlong Province, Lesotho.

The area is home to several diamond mines and the site of the Lesotho Highlands Water Development Project, representing a large potential market for producers. The initiative focused developing a commercially viable enterprise by:

- Aggregating producers to improve affordability and reliability of feeds and inputs
- Capacity building to ensure compliance with health, safety, and environmental requirements
- Contracting with at least one major buyer plus facilitating arrangements for secondary markets
- Establishing a formal banking relationship

The Association currently produces and sells 300 trays of eggs per week to the Let'seng mine. In 2014, the project launched a second phase focused on Hazard Analysis Critical Control Point (HACCP) certification and formalizing the Association as an established producers' association.

The Foundation is currently exploring partnerships with a number of strategic partners to provide investment to the Association that would permit it to acquire upgraded facilities and working capital and ensure long-term sustainability.



## LETLHAKANE ABATTOIR

BOTSWANA

Funding partner – Lucara Diamond

Project Partner – Central District Council

### Economic Diversification

In Letlhakane, livestock production plays a significant role in rural livelihoods. The local slaughterhouse lacked the processing capacity required to service the demand of a growing population which resulted in a missed opportunity for local livestock producers.

The Foundation has partnered with the Central District Council to upgrade and expand the existing slaughterhouse to an abattoir. This will increase the capacity of the abattoir, improve compliance to health and sanitary standards and provide significant long-term benefits to livestock owners in the Boteti sub-district.

Following completion of the Abattoir, the District Council will assume responsibility for the management of the abattoir and has committed to support additional initiatives aimed at improving value addition and benefits to livestock producers.





# INDEPENDENT AUDITORS' REPORT

## To the Directors of the Lundin Foundation

We have audited the accompanying financial statements of the Lundin Foundation, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and changes in 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 in our audit 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, 2014, 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.

*Ernst & Young LLP*

**Ernst & Young**

*Chartered Accountants*

Vancouver, Canada

May 4, 2015



# STATEMENT OF FINANCIAL POSITION

Expressed in Canadian Dollars

As at December 31	2014	2013
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 11)	2,981,110	3,810,942
Short-term investments (note 3)	58,691	54,381
Accounts receivable	1,218,295	1,099,129
DFATD contributions – grant receivable (note 8)	61,862	82,942
Prepaid expense	49,879	12,610
Due from related party (note 9)	13,627	15,391
<b>Total currents assets</b>	<b>4,383,464</b>	<b>5,075,395</b>
Loans receivable (note 5)	2,037,778	2,093,915
Term deposit (note 12)	250,000	250,000
Equity venture investments (note 6)	3,446,123	3,420,430
Property and equipment (note 7)	82,992	95,760
Loan guarantees (note 11)	434,854	–
Restricted cash – DFATD	172,470	42,655
	<b>10,807,681</b>	<b>10,978,155</b>
<b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 9)	303,763	718,784
Due to related party (note 9)	–	51,495
<b>Total current liabilities</b>	<b>303,763</b>	<b>770,279</b>
Related party transactions (note 9)		
Commitments (note 10)		
<b>Unrestricted net assets</b>	<b>10,503,918</b>	<b>10,207,876</b>
	<b>10,807,681</b>	<b>10,978,155</b>

See accompanying notes

On behalf of the Board:



Lukas H. Lundin  
Director



Stephen D. Nairne  
Director

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Expressed in Canadian dollars

Year ended December 31	2014	2013
	\$	\$
<b>Grants disbursed</b> (schedule 1)	(3,495,129)	(2,195,955)
DFATD project expenses (note 8)	(392,003)	(298,469)
Consultancy fees (schedule 2)	(320,349)	(215,744)
	<b>(4,207,481)</b>	<b>(2,710,168)</b>
<b>General and administrative expenses</b>		
Accounting	27,314	40,909
Amortization	12,768	14,450
Bank charges	7,337	4,267
Legal	11,096	28,235
Memberships	35,065	87,069
Office	84,317	107,384
Rent (note 9)	86,346	81,009
Salaries	740,308	413,238
Sponsorships	16,033	–
Telephone	15,556	11,560
Travel	244,694	128,943
Reimbursed expenses	(313,708)	(171,909)
	<b>967,126</b>	<b>745,155</b>
Operating expenses before the following	(5,174,607)	(3,455,323)
Donations received (note 9)	5,067,148	6,105,218
DFATD grant revenue (note 8)	298,136	261,949
Excess of revenue over expenses from operations before other items	<b>190,677</b>	<b>2,911,844</b>
Other items		
Investment income (schedule 2)	557,690	644,722
Miscellaneous revenue	7,482	–
Write-off of loan investment	(10,855)	–
Impairment loss on investment	(448,952)	(641,315)
	<b>105,365</b>	<b>3,407</b>
<b>Excess of revenue over expenses for the year</b>	<b>296,042</b>	<b>2,915,251</b>
Unrestricted net assets, beginning of year	10,207,876	7,292,625
<b>Unrestricted net assets, end of year</b>	<b>10,503,918</b>	<b>10,207,876</b>

See accompanying notes



# STATEMENT OF CASH FLOWS

Expressed in Canadian dollars

Year ended December 31	2014	2013
	\$	\$
<strong>OPERATING ACTIVITIES</strong>		
Excess of revenue over expenses for the year	296,042	2,915,251
Add (deduct) items not affecting cash		
Amortization	12,768	14,450
Foreign exchange gain not involving cash flow	(51,256)	(144,960)
Impairment loss on investment	448,952	641,315
Loan write-off	10,855	–
Reinvested income	(4,310)	(3,097)
	713,051	3,422,959
Changes in non-cash working capital balances related to operations		
Accounts receivable	(119,166)	(892,806)
Prepaid expenses	(37,269)	(12,610)
Accounts payable and accrued liabilities	(589,036)	(9,652)
Due to related party	(49,731)	36,104
<strong>Cash provided by (used in) operating activities</strong>	<strong>(82,151)</strong>	<strong>2,543,995</strong>
<strong>INVESTING ACTIVITIES</strong>		
Loan advances	(812,070)	(315,136)
Loan repayments	75,092	608,973
Increase in loan interest receivable (accrual for the year)	(65,412)	(341,268)
Advances to equity venture investments	(1,295,458)	(1,051,698)
Equalization payments received from equity venture investments	1,893,756	–
Setup of loan guarantee – Northern Initiatives	(290,025)	–
Setup of loan guarantee – BCI	(144,829)	–
Revenue over expenses relating to restricted cash	(108,735)	(90,171)
<strong>Cash used in investing activities</strong>	<strong>(747,681)</strong>	<strong>(1,189,300)</strong>
<strong>Net increase (decrease) in cash and cash equivalents during the year</strong>	<strong>(829,832)</strong>	<strong>1,354,695</strong>
Cash and cash equivalents, beginning of year	3,810,942	2,456,247
<strong>Cash and cash equivalents, end of year</strong>	<strong>2,981,110</strong>	<strong>3,810,942</strong>
<strong>Non-cash transactions</strong>		
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, 2014  
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 twofold. 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 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) meets 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 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.

### 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 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 period.

### Property and equipment

Property and equipment are stated 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:

	2014	2013
	\$	\$
Dundee US Money Market Fund	9,700	44,827
Dundee CAD Money Market Fund	48,991	9,554
	58,691	54,381

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

	2014	2013
	\$	\$
Chanyanya Project – unsecured, 5% interest bearing loan with interest and principal repayments commencing in 2013 (denominated in \$US) (note 5(a))	585,183	518,139
CDS – unsecured, 17% interest bearing loan, repayable in blended quarterly instalments between March 31, 2014 and June 30, 2017 (denominated in Mauritanian Ouguiya) (note 5(b) and 5(f))	28,299	26,857
Me deem Ghana Ltd. – unsecured, 3% interest bearing loan, repayable in blended quarterly instalments of US\$37,500 for the period of January, 15 2014 to October 15, 2014, and increasing to quarterly repayments of US\$56,250 thereafter (denominated in \$US)	–	1,000,000
Medeem LLC – unsecured promissory note, bearing interest at 3%, repayable in full on the maturity date on April 10, 2020	551,048	–
Rent-to-Own – non-revolving term loan, bearing interest at 3%, repayable in monthly instalments of principal plus interest of US\$3,611, secured by accounts receivable of the Company, due July 1, 2015 (denominated in \$US) (note 5(c) and 5(d))	34,583	101,356
Honey Care Africa Ltd. – unsecured, 36-month loan bearing interest at gradual increments, without scheduled repayments. Convertible to common shares at the Foundation's option (denominated in \$US) (note 5(e))	–	447,563
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 \$US) (note 5(c) and 5(g))	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 loan outstanding loan (denominated in Kenyan Shilling)	178,169	–
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 maturity date on January 3, 2016 (denominated in \$US)	302,934	–
	2,037,778	2,093,915

(a) As at December 31, 2014, the Foundation accrued interest on the Chanyanya Project loan receivable due to the project's positive cash flow projections.

(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 advancements:
  - (i) African Management Initiative loan – US\$200,000
  - (d) Rent-to-own loans contain revenue-based fee provisions in addition to interest and principal repayments.
  - (e) The Honey Care Africa Ltd. loan bears interest at the following rates:
    - March 1, 2012 to August 31, 2012 5%
    - September 1, 2012 to February 28, 2013 10%
    - March 1, 2013 to August 31, 2013 15%
    - September 1, 2013 to February 28, 2014 20%
  - (f) The CDS loan can be converted into share capital of CDS under certain circumstances pursuant to the loan agreement.
  - (g) 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 24 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

	2014	2013
	\$	\$
Injaro Agricultural Capital Holdings Ltd. (note 6(a))	957,033	2,004,479
M-Kopa, LLC	520,556	436,380
Central Africa SME Fund (note 6(b))	1,236,391	875,610
CDS	54,507	54,507
Rent-to-Own	49,453	49,453
Medeem LLC	170,161	1
Honey Care Africa Ltd.	453,830	–
African Management Initiative	4,192	–
	3,446,123	3,420,430

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

- (a) Injaro Agricultural Capital Holdings Ltd. – US\$3,946,529, and
- (b) Central Africa SME Fund – US\$313,319.

7. Property and Equipment

	2014		2013	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	4,149	4,149	–	–
Office improvements	127,680	44,688	82,992	95,760
	131,829	48,837	82,992	95,760

8. DFATD Contributions

	2014	2013
	\$	\$
Deferred contribution carried forward from previous year	(82,942)	107,214
Contributions and interest received from DFATD during the year	319,216	71,793
	236,274	179,007
Less contributions spent	(298,136)	(261,949)
Grant receivable	(61,862)	(82,942)

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, 2014, the total cumulative costs incurred on the project were \$595,705 (2013 – \$297,569) and the total revenue recognized on the statement of operation was \$298,136 (2013 – \$261,949). Contributions received are deposited in a separate account, and are not to be used for general purposes by the Foundation.

9. Related Party Transactions

- (a) During 2014, the Foundation paid \$82,599 (2013 – \$70,560) 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 \$6,300 (2013 – \$6,300) and recovers out of pocket expenses related to the Foundation.

As at December 31, 2014, \$3,017 (2013 – \$8,171) is included in accounts payable for other expenses payable to Namdo.
- (b) During 2014, the Foundation received donations of \$2,305,899 (2013 – \$4,962,029) 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, \$264,451 is recorded in accounts receivable as at December 31, 2014.



- (c) During 2014, the Foundation disbursed grants of nil (2013 – \$42,000) to the Lundin for Africa Foundation, a not-for-profit organization under common control.
- (d) During 2014, the Foundation paid \$13,627 (2013 – \$15,391) of salaries and rent expenses on behalf of Lundin for Africa Foundation, a not-for-profit organization under common control, which is receivable from Lundin for Africa Foundation as at December 31, 2014.
- (e) As at December 31, 2014, the Foundation had a balance payable to the Lundin for Africa Foundation in the amount of nil (2013 – \$51,495) which previously bore no interest, had no specified term of repayment and was not collateralized.
- (f) During 2014, the Foundation paid \$300,521 (2013 – \$137,626) of salaries, rent, travel, and office expenses on behalf of Adolf H. Lundin Foundation, a not-for-profit organization under common control, which is receivable from Adolf H. Lundin Foundation as at December 31, 2014.

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. Commitments

The Foundation is committed to grants totaling C\$1,000,000, US\$1,396,819, and CLP\$21,225,000 (2013 – US\$1,181,180) 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.

11. 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, 2014.

During 2013, the Foundation entered into a loan guarantee agreement with Barclays Bank of Botswana Limited (“Barclays”).

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) During the year, the Foundation deposited US\$250,000 (2013 – nil) in an insured depository institution selected by 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 to the terms of the guarantee.
- (d) As at December 31, 2014, CDFI has disbursed business loans of US\$130,298 (2013 – nil) 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 to the terms of the guarantee.

Barclays

- (a) Barclays is to provide loans for the benefit of individuals or companies with 1-20 employees resident or operating in the Boteti Sub-District (“Customers”).
- (b) The Foundation opened a bank account with Barclays and deposited one million Pula (BWP 1,000,000) being the initial capitalization or guarantee of all the loans that will be granted by Barclays to Customers. As at December 31, 2013, funds in the amount of C\$118,579 (BWP 1,000,000) were deposited into the Barclays bank account for the purposes of the agreement. Other than the amount deposited with Barclays the Foundation has no further obligations.
- (c) The Foundation will guarantee 75% of each loan granted by Barclays to a Customer, in accordance to the terms of the guarantee.
- (d) During 2013, Barclays disbursed a total of seven loans, all of which exceeded the agreed upon loan limit amount without consultation with the Foundation. All seven loans were subsequently removed by Barclays, with no loans active under the agreement.
- (e) During 2014, the loan guarantee agreement was terminated.

12. Term Deposit

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

13. 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.

Expressed in Canadian dollars

SCHEDULE OF GRANTS

Schedule 1

Year ended December 31	2014	2013
	\$	\$
Asociacion Los Helados-Fondos Concursables	55,225	–
Asociacion Los Helados-Tierra Amarilla	29,822	–
Association of Africa Business Schools	–	110,714
Boteti Mining (Pty) Ltd.	7,900	–
CDS	6,025	–
CIPMEN	33,135	10,299
Farm Africa	353,800	405,108
Fauna & Flora Intl	180,033	–
First Step Initiative	–	(5,170)
Lundin for Africa Foundation (note 9)	–	42,000
Medeem LLC	358,963	154,485
M-Kopa Services LLC	12,426	128,738
Northern Rangeland Trust	336,872	–
Opportunity International Canada	–	257,475
Penampang Renewable Energy Sdn. Bhd	160,153	–
PETRAD	33,011	132,105
Population Services	406,730	281,541
PT Anekatek Consultants	220,900	–
Rare Inc.	662,700	–
Sinergi SA	3,471	–
Stony Brook Foundation	497,025	514,950
Syngenta Foundation for Sustainable Agriculture	–	30,897
Trauma Care Ethiopia	44,159	96,296
Trust for African Rock Art	49,703	–
University of California	–	15,711
VilCap, Inc.	43,076	13,904
West Africa Technical Assistance Facility	–	6,902
	3,495,129	2,195,955

See accompanying notes



Expressed in Canadian dollars

SCHEDULE OF OTHER ITEMS

Schedule 2

Year ended December 31	2014	2013
	\$	\$
<b>Advisory service recovery</b>		
External advisory expenses	(300,491)	(45,170)
Reimbursed expenses	300,491	45,170
	-	-
<b>Investment income</b>		
Restructuring costs	(14,451)	-
Interest on loans	65,412	341,268
Foreign exchange gain	407,504	208,831
Investment income from Grant Management	8,574	24,573
Investment income from Equity Venture Investments	90,651	70,050
	557,690	644,722
<b>Consultancy fees</b>		
Abraham Bravo	(16,791)	-
APEX	-	(25,748)
Application Experts	-	(2,575)
Association of African Business Schools	-	(4,232)
Better Trading Co.	(2,687)	-
Bima Arief Koesoemawira	(229)	-
Boteti Mining (Pty) Ltd.	(18,428)	-
City and Guilds UK	(47,711)	-
Conceptrial SND BHD	-	(5,150)
DIVAC Pty Ltd.	(15,636)	-
Ernesto Contrera Munoz	(4,232)	-
Harry Brinch	(8,991)	-
Jorge Barandiaran	(462)	-
New Ventures Indonesia	-	(51,495)
Offsetters Clean Technology	(23,379)	-
Oil and Energy Services Ltd.	-	(61,337)
PT The Apex Group Consulting	(83,131)	-
SAIT Polytechnic	(51,975)	(51,975)
Stockford Africa	(34,392)	(13,232)
Stunner Travel Ltd.	(954)	-
Tumelo Edgar Mokoka	(11,351)	-
	(320,349)	(215,744)

See accompanying notes



Honey Care Africa. Photo ©: Liz V.



# 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 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

As VP Corporate Responsibility, Ms. Batruch is responsible for devising and overseeing implementation of Lundin Petroleum's strategy, policies and procedures in Health, Safety and Environment (HSE) and its Sustainable Investment Program. She is also responsible for relations with stakeholders, which include host and home governments, local communities and relevant interest groups.

Born in Canada, Ms. Batruch is a graduate of the University of Toronto, where she obtained a Bachelor of Arts in History, and McGill University in Montreal, where she obtained degrees in Civil and Common Law. In 1989 she qualified as barrister and solicitor of the Law Society of Upper Canada in Ontario Canada.

Since 1990, Ms. Batruch has been based in Geneva and has worked in the non-profit, academic and business sectors. She is member of the Working Party on International Legal and Commercial Practice (WP5) of the UN Economic Commission for Europe. Christine Batruch is also on the Advisory Board of the Business Humanitarian Forum.

### 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.'s 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

*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 appointed as 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 appointed as 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.

### Ka-Hay Law

*Portfolio Director*

Ms. Law joined the Foundation in 2011 oversees the Foundation's South East Asia portfolio and impact reporting. In 2013 she relocated to Nairobi to open the Foundation's East Africa office and manage the regional portfolio. Ka-Hay brings deep insight on the inner workings of SMEs and the evolving business models required to serve rural African markets having worked in Zambia, Malawi and Ghana for over 4 years in value chain development. Ms. Law is also experienced in corporate social responsibility consulting and holds a degree in engineering from the University of British Columbia.

### Joanne Liu

*Finance and Accounting Manager*

Ms. Liu joined the Lundin Foundation since 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 within providing comprehensive accounting functions and financial reporting, monitoring operational efficiencies and implementing controls and procedures.

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

### Joy Muballe

*Program 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 National Administration School, Mali.

### Micah Sarkas

*Investment Analyst, 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 has 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 (CFA) 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 Chairman 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, CO, 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. Ms. Ward 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 7 years with Deutsche Bank in Global Markets division and finally as VP for Equity Prime Services. Charlotte holds a BSc (Hons) from Bristol University and MSc from Sydney University in Applied Environmental Science.



# CONTRIBUTING PARTNERS



Abar, Papua, Indonesia. Site of Electric Vine Industries first solar micro-grid.



# COLLABORATORS







Photo ©: MEDEEM



Chiansi Market Garden, Zambia

“We started working with the Lundin Foundation in 2009 when the Foundation had the vision of supporting the creation of a West African fund management firm that would make impact investments in francophone West Africa. In selecting Injaro, Lundin Foundation showed its confidence in the talent and potential of young West Africans. Throughout the challenges, Lundin remained steadfast in its support and can today be proud of being instrumental in the creation of a West African fund manager that has attracted capital from the international/mainstream investment community. The Foundation was committed and fully engaged from day one, mobilising the third-party resources and advisors required to make this project a success. Lundin’s support continues today in the form of a technical assistance facility dedicated to supporting nascent SMEs in West Africa’s agricultural sector. The entire Injaro team is deeply grateful for the opportunity to work with the Lundin Foundation.”

Jerry Parkes  
Managing Director, Injaro Agricultural Capital

“Lundin has been a core partner of AMI from the beginning of our journey, providing insight, strategic thinking and the right kind of capital at the right time. It’s been great to have a funding partner that is ‘on our side’ but also willing to ask the tough questions and challenge our thinking. The team has a deep understanding of how small business works in Africa, and is passionate about making a difference. They’re willing to tackle the issues that really count, not just the issues that make headlines. And they’re willing to take risks to support projects and people they believe in. We have a huge amount of respect for the team and approach, and could not have asked for a better funding partner.”

Rebecca Harrison  
CEO, African Management Initiative





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