

CWM NEWYDD - NEW VALLEY

A PROSPECTUS FOR PROSPERITY

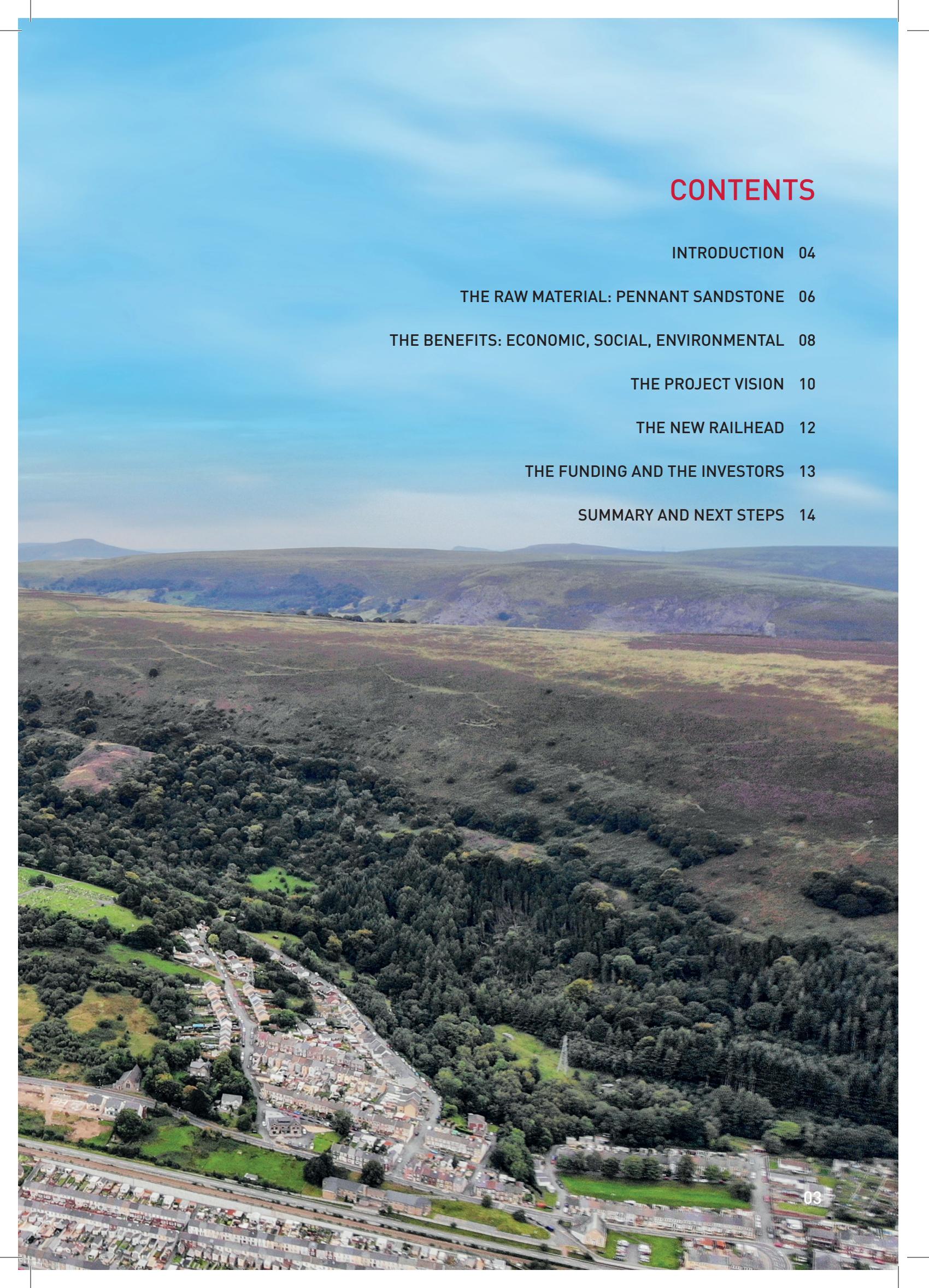
INVESTING IN BLAENAU GWENT,
IN WALES AND THE FUTURE



¶¶ WE DEPEND ON HIGH QUALITY RESOURCES.
WE HAVE THE PEOPLE, RESOURCES AND THE AMBITION.

WE SHOULD BE INVESTING IN INFRASTRUCTURE
AND DEVELOPMENT FOR THE GREATER GOOD OF WALES ¶¶

- FUTURE WALES, THE WELSH GOVERNMENT, FEBRUARY 2021

The background of the page is a wide-angle aerial photograph of a rural landscape. In the foreground, a small town with numerous houses and a railway line is nestled in a valley. The town is surrounded by lush green fields and a dense forest. In the middle ground, the town gives way to rolling hills and mountains under a clear blue sky.

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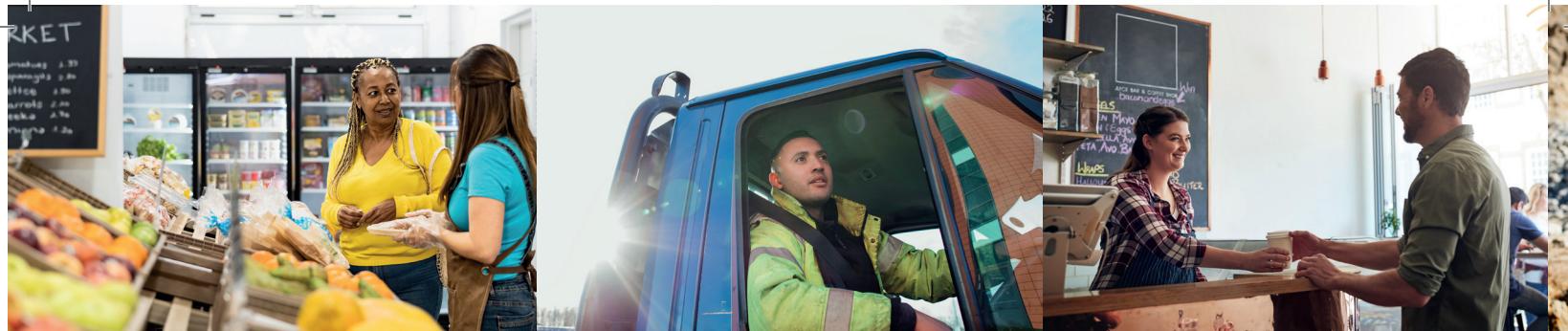
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INTRODUCTION

UNLOCKING THE LATENT RESOURCE POTENTIAL OF BLAENAU GWENT

Right now, there's a once-in-a lifetime opportunity to bring forward a transformational project for Blaenau Gwent, harnessing the latent physical and human resources of the location to create new jobs, improved infrastructure and enhanced social outcomes for today - and for future generations.

This opportunity has arisen because of the unique properties of the Pennant Sandstone which forms the bedrock of Blaenau Gwent. Available here in rich abundance, its exceptional anti-skidding properties make it the material of choice for road surfacing worldwide. Demand for anti-skid road surfacing stone is rising globally, not least because of the weather extremes created by climate change. The resources of Blaenau Gwent are perfectly placed to meet this need.

“A privately financed £18 billion investment, delivering significant employment, wealth and recreational benefits.”

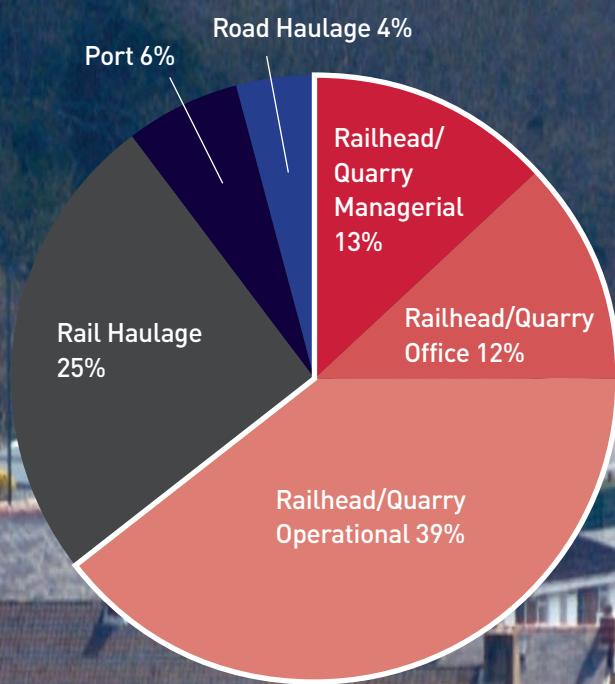


GUARANTEED LONG-TERM SECURITY

Cwm Newydd - the 'New Valley' project - is designed to unlock this latent potential and establish Blaenau Gwent as a major global source of Pennant Sandstone for the next 100 years and beyond.

A privately financed investment with a market cap of £18 billion, the project requires no public sector funding whatsoever. Delivered by two organisations with a proven track-record in infrastructure development - Liebherr AG and the E5 Group - Cwm Newydd is a carefully phased long-term plan, supported by an extensive environmental and regeneration strategy. Bringing long-term security to the area, it will deliver significant employment, wealth and recreational benefits to local communities.

DIRECT SALARIES = £6.2 Million



A TRANSFORMATIONAL AND TRULY APPROPRIATE INVESTMENT

This prospectus outlines the case for the Cwm Newydd project. Critically, to be viable commercially it demands a new privately funded rail infrastructure, centered at the old Marine Colliery.

Once it's approved, the wider project can proceed, creating a transformational and truly appropriate project for an area with such a rich mining heritage.



THE RAW MATERIAL: PENNANT SANDSTONE

A RICH MINERAL SOURCE, WITH LONG-TERM POTENTIAL

“A unique ticket to sustainable wealth creation for the locality and the region.”

Human progress has always depended on mining, and with its proud heritage of iron ore and coal, Blaenau Gwent has long played its part in supporting economic and industrial development.

Today however, there's a quest for a new suite of materials to meet society's changing needs.

Though not a 'technological' or 'critical' mineral like lithium, tungsten or rare earths, the quality and quantity of the Pennant found in Blaenau Gwent is nonetheless rare and highly sought after.

□□ ACCIDENTS ARE REDUCED BY 57% IN WET WEATHER BY USING HIGH SKID RESISTANT SURFACING MATERIALS □□

- OBSERVATIONS ON ASPECTS OF SKID-RESISTANCE OF GREYWACKE AGGREGATE





UNIQUE PROPERTIES, UNIQUE TO BLAENAU GWENT

Skidding – especially in cold and wet conditions or on complex or poor road alignments – is a major cause of highway accidents, leading to injury, death and economic loss. Thanks to its exceptional mineralogical characteristics, the Pennant Sandstone in South Wales is highly resistant to polishing and chemical and physical attack, providing an extremely durable surface with excellent grip.

This provides a continual reduction of accidents in difficult weather conditions, significantly improving road safety. As Pennant Sandstone is also inert and non-polluting, its use reduces the environmental harm associated with other materials. In a world where severe weather events are expected to become increasingly common, it's a safe and cost-effective solution.

Though other deposits exist in the UK and worldwide, none match the outstanding quality in Blaenau Gwent. Nor do they benefit from such potentially strong transportation links, or from a community which understands mining. Quite simply, Blaenau Gwent's unique geology means that Pennant Sandstone is a unique ticket to sustainable wealth creation for the locality and the region.

With careful planning and management, there are sufficient deposits to supply the market for over 150 years.

The Cwm Newydd project involves change, certainly. But it will also reverse the decline and poor outcomes experienced across the area, bringing long-term wealth creation and investment, while also contributing to safer, more efficient and less environmentally harmful highway networks everywhere.

□□ A NATIONALLY IMPORTANT
MINERAL RESERVE □□

- INSPECTORS DECISION: PLANNING APPEAL,
HAFOD-Y-DAFAL, CWM



THE BENEFITS: ECONOMIC, SOCIAL, ENVIRONMENTAL

TACKLING DEPRIVATION, CREATING ADVANTAGE FOR BLAENAU GWENT

ECONOMIC & SOCIAL ADVANTAGES FOR THE LOCAL ECONOMY...

A recent article by the Bevan Foundation described Blaenau Gwent as the most deprived constituency in Wales. The Cwm Newydd project will act as a catalyst of positive change.

If approved in full, it will create a multi-billion pound boost to the local economy, with guaranteed income from rail access charges and the aggregates levy, together with a lease fee for the railhead and royalty on the volume of quarried sandstone. Annually this would represent £8m for public works in Blaenau Gwent County Borough Council, and over £120m during the first phase of the project. This revenue will be used to fund improved healthcare and education as well as new recreation and leisure amenities.

An estimated 180 high value jobs will be created, with gross salaries of some £6.2 million. Other local industries, including hospitality and services, will also benefit from this wealth creation. Over time, there's the potential to develop other freight businesses on the site, adding more value to the local economy.

Importantly, the national first aid charity St John's Wales owns a substantial volume of mineral within the project boundaries and will therefore receive a significant share of the royalties. They have committed to invest this in social and health care improvements.

... AND FOR THE WELSH NATION

The Welsh Government will receive a share of the project's revenue, using it to fund initiatives for the national good, establishing Blaenau Gwent as an important centre of national economic value.

□□ BLAENAU GWENT IS KNOWN FOR ITS HIGH LEVELS
OF POVERTY AND DEPRIVATION, LOW LEVELS OF
EDUCATIONAL QUALIFICATIONS AND LOW WAGES □□

- THE BEVAN FOUNDATION

**“A multi-billion pound boost to the local economy,
creating an estimated 180 high value jobs.”**



“The unworked land will also be managed to improve landscape, biodiversity and recreational access.”

PROTECTING AND ENHANCING THE LOCAL ENVIRONMENT AND QUALITY OF LIFE

While the area covered by the project encompasses areas of attractive countryside, it has also suffered from a legacy of harm and neglect. With comprehensive plans for land restoration, management and enhancement the Cwm Newydd project aims to regenerate the landscape and habitats of the project area and build a sustainable and attractive environment for local people and visitors to enjoy.

Creation of a diverse new landscape

Cwm Newydd provides an exceptional opportunity to enhance both the existing landscape and habitats. Equally, it will create a new but also typical landscape form mimicking a natural cwm, which will be extended northwards as operations proceed.

Improvement of access rights

Existing bridle and footpaths will be maintained, and new ones created to open up the landscape for local people, enhancing both bio-diversity and recreational potential.

Protection of habitat

In addition to the investors' commitment, one of the owners of the land - the Trustees of the Marquess of Abergavenny Estate – will redirect royalties from the works to preserve and protect local habitats.

Decarbonisation

The Cwm Newydd project will contribute to decarbonisation in a number of ways. The new railhead allows a focus on rail and sea transportation, reducing the need for environmentally-damaging road journeys. The use of hydrogen or battery powered locomotives and extraction plant will be explored, together with engineering initiatives such as regenerative braking. The project area also adjoins a solar farm, and there are significant opportunities to increase renewable energy resources on site, helping power the project sustainably.

As responsible investors, both E5 and Liebherr AG are fully invested in delivering these commitments, and will work with Blaenau Gwent CBC to set, monitor and reach all targets.

“The Cwm Newydd project will contribute to decarbonisation.”



THE PROJECT VISION

A CAREFULLY PLANNED STRATEGY, DELIVERED IN PHASES

The total project area covers c 5,250 hectares between the Ebbw Fawr and Ebbw Fach valleys stretching some 7.5 kilometres north from Aberbeeg. The mineral extraction operations lie in the centre of this area with reserves extending to a gross of over 600 million tonnes of Pennant Sandstone, estimated as 50% of the reserve for the entire area.

This will be quarried in carefully planned phases with the land then being restored in each phase to replicate the natural landscape and habitats. The unworked land will also be managed to improve landscape, biodiversity and recreational access.

In Phase 1 – which is land currently allocated in the Blaenau Gwent CBC Local Plan – operations will be focused near Cwm and the former Marine Colliery site, with plans to extract sandstone over an area of some 25 hectares (see map).

Initially, the production target is circa two million tonnes per annum, rising to circa four million tonnes in order to meet demand. There is the potential to incorporate additional land that is not currently included in the project, further extending reserves or production rates.

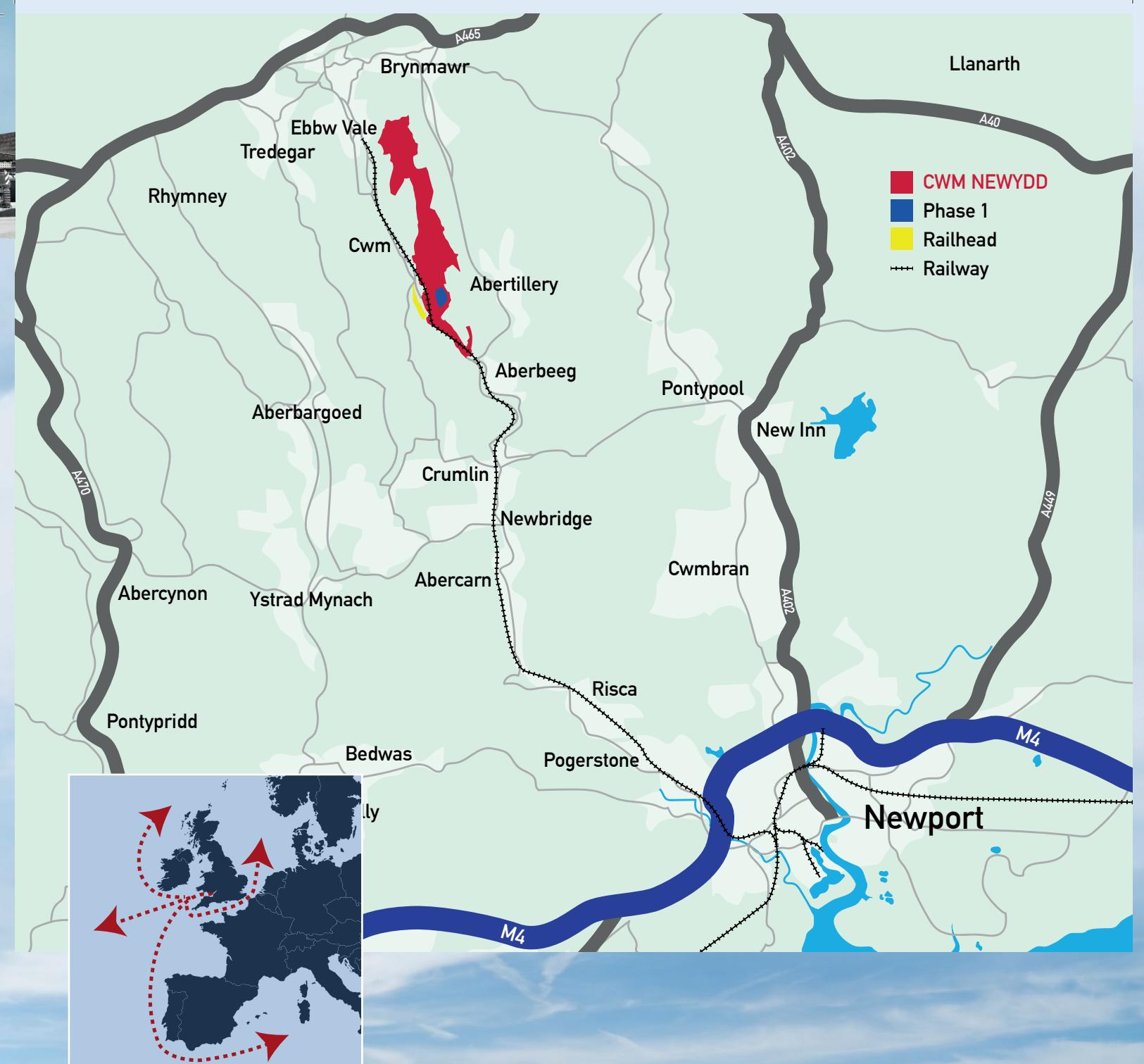
Although this covers an extensive area, it avoids significant settlements and minimises the impact on amenities in nearby communities. Environmentally, there's a clear plan for restoration and mediation work to not just 'make good' but to return the landscape in a better and more diverse state.

To ensure the long-term success of the project, one element is critical – a sustainable transportation infrastructure to move the sandstone safely and cost-effectively. Road haulage is expensive, and causes noise, disruption and pollution. The plan therefore anticipates that around 90% of volume to be carried by rail, primarily to Newport for onward rail transport to the rest of GB, or to be carried by sea to Europe and beyond.

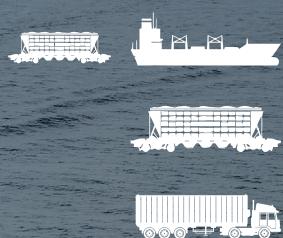
To facilitate this, the project includes plans for a new railhead at Cwm. The viability of this entire enterprise is reliant on this railhead being approved, and discussions are currently in hand with Blaenau Gwent CBC.

"A clear plan for restoration and mediation work."





SALES: Circa 4.0 Million Tonnes Per Annum



2.5mtpa by rail, then sea from Newport

1.5mtpa by rail to GB markets

0.1mtpa by road to local markets



THE NEW RAILHEAD

RAIL & SEA – A SUSTAINABLE TRANSPORTATION OPTION

With easy access to ports and the international market, rail and sea transport provides the only truly sustainable option for transporting the Pennant Sandstone – not just to existing markets but also, significantly, to the fast-growing markets overseas. The Cwm Newydd project therefore includes plans for the construction of a brand new £multi-million railhead at the former Marine Colliery at Cwm.

With its layout and former sidings and track connections to the rail network at Newport and the docks, Marine is a logical focus for rail freight investment and the transport of bulk materials. There is therefore the potential to introduce further freight activities to bring additional jobs and revenue to the area. While these are not part of the Cwm Newydd project, they demonstrate the positive knock-on effect the railhead can have on the local economy.

FULLY-FUNDED BY PRIVATE INVESTMENT

The full cost of this development will be met with private investment. All future maintenance of the rail infrastructure will be funded by track access charges and the 'aggregates levy' on the volume of sandstone quarried. This revenue stream will also contribute to improvements to the existing and proposed passenger service, relieving the burden on the public purse.

The proposed new railhead is pivotal to the entire project. While Blaenau Gwent CBC has already allocated this development within the adopted local plan, there remain other potential options for developing the site. None have the guaranteed capability to generate long-term revenue and deliver transformational benefits to the council and the community.

□□ AGGREGATES REQUIRED FOR SKID RESISTANCE ARE OF IMPORTANCE TO THE UK... THE NEED FOR SUCH MINERALS SHOULD BE ACCORDED SIGNIFICANT WEIGHT... PLANNING AUTHORITIES SHOULD PROTECT THESE RESOURCES AND POTENTIAL RAIL CONNECTIONS FROM STERILISATION □□

- PLANNING POLICY WALES, EDITION 11, WELSH GOVERNMENT, FEBRUARY 2021



THE INVESTMENT AND INVESTORS

PRIVATE FUNDING, PUBLIC BENEFIT

Cwm Newydd is a major infrastructure project across 5,250 hectares, involving extraction and transportation as well as land management and restoration – all over a timeframe which extends well into the next century. The £1m's of investment will be financed entirely from the private sector, with no requirement for any public funding or grants. There is no financial burden whatsoever on the council or the Welsh Government. Instead, a significant percentage of revenue from the project will be given to the public sector to help fund local community initiatives, from health and social provision through to recreation and land management.

“An international track-record of delivering development projects which make a real difference to communities.”

A RESPONSIBLE, FAMILY-OWNED INVESTOR

The investment is being made by Liebherr AG, a German/Swiss based engineering giant with specialist interests in mining, earthmoving and transportation. A global business with an annual turnover in excess of €10 billion, Liebherr is committed to responsible economic and social governance. It has a proven track-record of working in trusted partnership with other stakeholders, including Mali Common Rail which receives royalties from the manufacture of every common rail diesel engine worldwide.

The project itself will be managed by the E5 Group. With a vision of creating wealth and prosperity with purpose, E5 has an extensive international track-record of delivering development projects which solve economic and social issues and make a real difference to communities. E5 and Liebherr AG have worked successfully and collaboratively on many transformational initiatives.





SUMMARY AND NEXT STEPS

EVERYTHING IS IN PLACE AND READY TO GO

Nowhere else in the UK can match Blaenau Gwent's high-quality reserves of Pennant Sandstone, creating a truly unique opportunity to transform the local area. To ensure cost-effective and sustainable transportation, the viability of the Cwm Newydd project depends on the construction of a new railhead in Cwm.

Permissions from the landowners are in place. Private financing is fully secured. Extensive discussions have taken place with major stakeholders, including national and local authorities and transport facilitators. Blaenau Gwent CBC has accepted the development in principle and allocated it in the local plan.

A UNIQUE RESOURCE, A DISTINCTIVE ADVANTAGE

There may be other opportunities available for inward investment, but the council would be competing with many other equally deserving areas. With Pennant Sandstone, Blaenau Gwent has a distinct, and distinctive advantage, offering long-term assurance and guaranteed returns. It's a case of a truly unique resource and certain outcome, versus an unknown development and uncertain future.

TIMELINES

With the approval of the project, investigative and consultancy works would begin, including due diligence and the gathering together of all presentations and material necessary for submission of the planning application. Once planning consent is given, works would begin on the baseline infrastructure of the Cwm Newydd project.

With timely approval, the first shipment of Pennant Sandstone could take place as early as 2028 bringing mining back to this part of South Wales - and a brighter future for Blaenau Gwent.

Blaenau Gwent County Borough Council, the Welsh government and the major landowners would become fully-fledged partners, receiving royalties and income for the entire length of the project.





TRANSFORMATIVE POTENTIAL

This is a site of an important geological resource, while the project is of significant and long-term economic value. The investors believe in its transformative potential and remain committed to driving the project through to fruition.

More details can be found at:
e5-mineralsnewvalley.co.uk

If you have any questions or comments email:
enquiries@e5-mineralsnewvalley.co.uk

“A truly unique opportunity to transform the local area.”

STAKEHOLDERS

Blaenau Gwent County Borough Council

Welsh Government

The £5 Group

ABP Ports

Liebherr

Network Rail

GB Rail Freight

Trustees of the Marquess of Abergavenny

St John’s Wales

“The first shipment could take place as early as 2028 bringing a brighter future for Blaenau Gwent.”





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