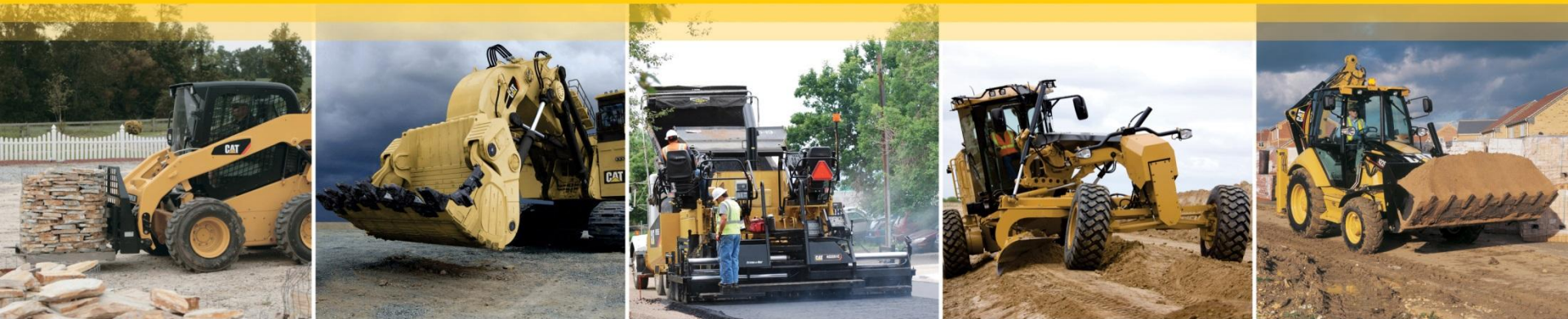


# CAREC INVESTMENT FORUM

Ulaanbaatar, September 23<sup>rd</sup>, 2015

S.J. (Steve) Potter

Managing Director, WAE LLC



# Wagner Asia Equipment LLC

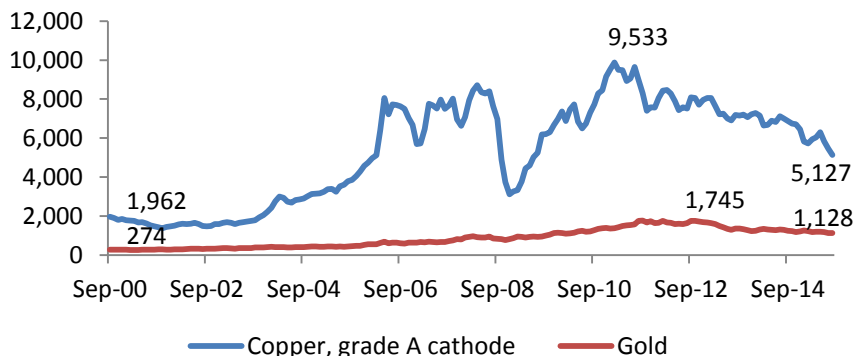


- ▶ Our main business is the supply & support of Caterpillar mobile equipment to the Mongolian Mining Industry

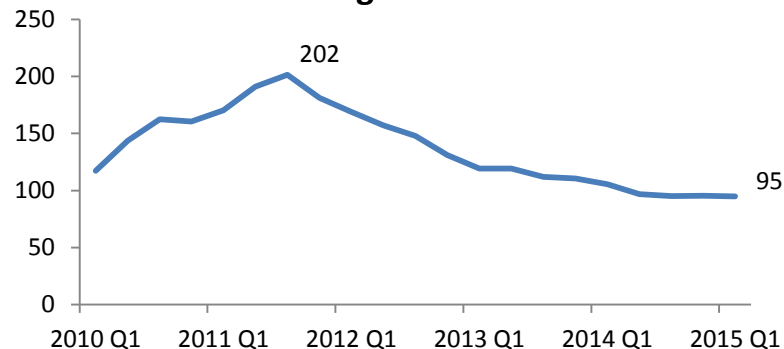


# Business Environment

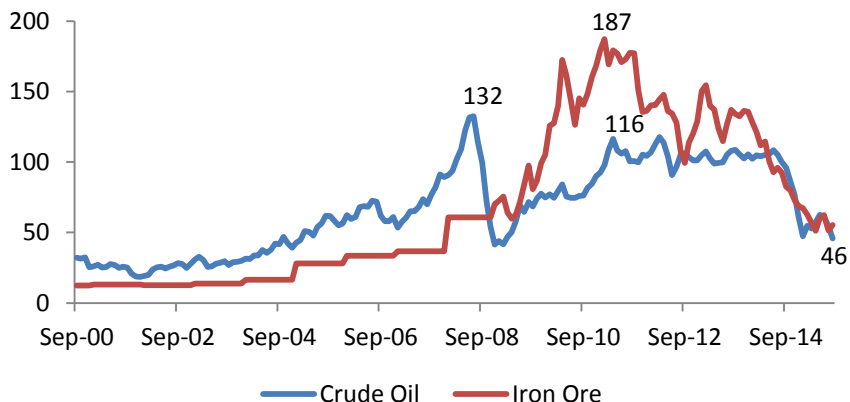
## Copper & Gold Prices



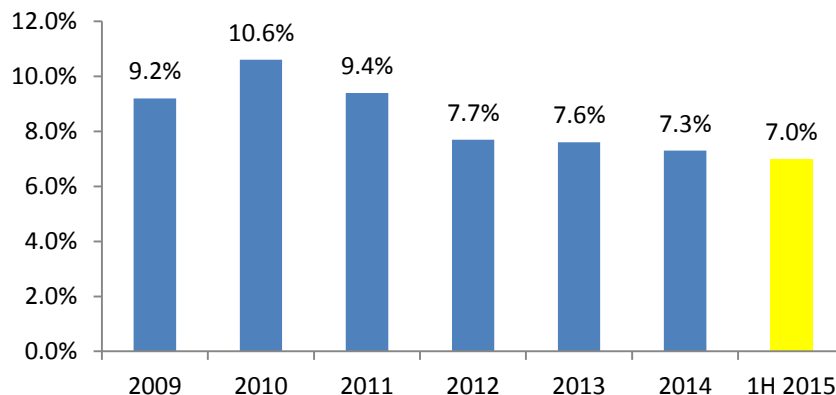
## Metallurgical Coal Price



## Crude Oil & Iron Ore Prices



## GDP Growth of China



- ▶ The commodity markets are cyclical
- ▶ Today we are at a low point on the cycle

- ▶ Mongolia is heavily dependent on China to buy its commodities
- ▶ Chinese Economy shifted to its next phase of growth - New normal



# Business Environment



► For our business to be profitable requires mining fleets to be working

► Today too many are idle or working at low utilization



# Solution



- ▶ Expensive: (\$'s/ton)
- ▶ Dangerous: (Driver Fatalities)
- ▶ Damaging: (Dust)

- ▶ Cheap: (cents/ton)
- ▶ Safe: (2 engineers vs. 130+drivers)
- ▶ Minimal Damage: (minimal dust)

- ✓ Mongolia can be competitive even when commodity prices are low, but lacks the right Transport infrastructure
- ✓ Politics & vested interest must be replaced by economic reality & commonsense





Wagner Asia Group Companies LLC

Thank you

