

## 6. Commitments

The following table summarizes the Company's contractual and other obligations as at June 30, 2015.

<b>Payments due by year</b>	<b>Total \$'000</b>	<b>Less than 1 year \$'000</b>	<b>1-3 years \$'000</b>	<b>4-5 years \$'000</b>	<b>After 5 years \$'000</b>
Capital expenditure commitments <sup>(1)</sup>	81,775	81,775	-	-	-
Gécamines minimum royalty payment <sup>(2)</sup>	18,000	1,800	3,600	3,600	9,000
Power Project <sup>(3)</sup>	43,864	21,802	22,062	-	-
	<b>143,639</b>	<b>105,377</b>	<b>25,662</b>	<b>3,600</b>	<b>9,000</b>

(1) The capital expenditure commitments relate to the Whole Ore Leach Project (\$10.5 million) and other infrastructure projects. Glencore has indicated it will provide or procure the additional funding required, if any, for the completion of these projects.

(2) Pursuant to the terms of the Joint Venture Agreement (the "JVA" – refer to item 15), all installations and infrastructures within the perimeter of the KCC concession area are being rented for an annual minimum royalty payment to Gécamines of \$1.8 million.

(3) In order to meet the needs for additional and reliable electrical power for the development of their mining activities, KCC and Mutanda Mining SARL ("Mutanda") (a related party of the Company and part of the Glencore group), entered into agreements with the DRC electricity provider, La Société Nationale d'Electricité ("SNEL"), to fund the rehabilitation of certain of SNEL's generation and transmission infrastructures (the "Power Project"). KCC will fund \$367.1 million for the Power Project commencing from the second quarter of 2012 to the end of 2017 but will be reimbursed \$244.7 million by Mutanda. Accordingly, KCC's net funding contribution will be \$122.4 million, of which \$78.5 million has been funded as of June 30, 2015 (included in other non-current assets in the statement of financial position). \$362.1 million of this amount will be reimbursed by SNEL ("Debt Amount") via credits to power bills payable by the Company and its affiliates. Interest will accrue at 6 months LIBOR + 3% on the Debt Amount from date of drawdown to date of reimbursement. SNEL will retain ownership of the generation and transmission infrastructures throughout the duration of the Power Project and thereafter. Glencore has indicated it will provide or procure the additional funding required, if any, for the completion of the Power Project.

## 7. Contingent Liabilities

The Company and its subsidiaries are subject to routine legal proceedings and tax audits. While the Company cannot predict the results of any legal proceedings, it believes it has meritorious defences against those claims. The Company believes the likelihood of any liability arising from these claims to be remote and that the liability, if any, resulting from any litigation or tax audits, individually or in aggregate, will not have a material adverse effect on its consolidated earnings, cash flow or financial position.

The Company's operations in the DRC are subject to various environmental laws and regulations. The Company is in material compliance with those laws and regulations. Environmental contingencies are accrued by the Company when such contingencies are probable and reasonably estimable. At this time, the Company is unaware of any material environmental incidents at its operations in the DRC.

Refer to item 13 of this Management Discussion and Analysis.