

# KANGA POTASH PROJECT

KANGA  
POTASH

Corporate Presentation (November 2022)

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## IMPORTANT NOTICE

**Important notice:**

This document has been compiled by the professional team of Kanga Potash "KP".

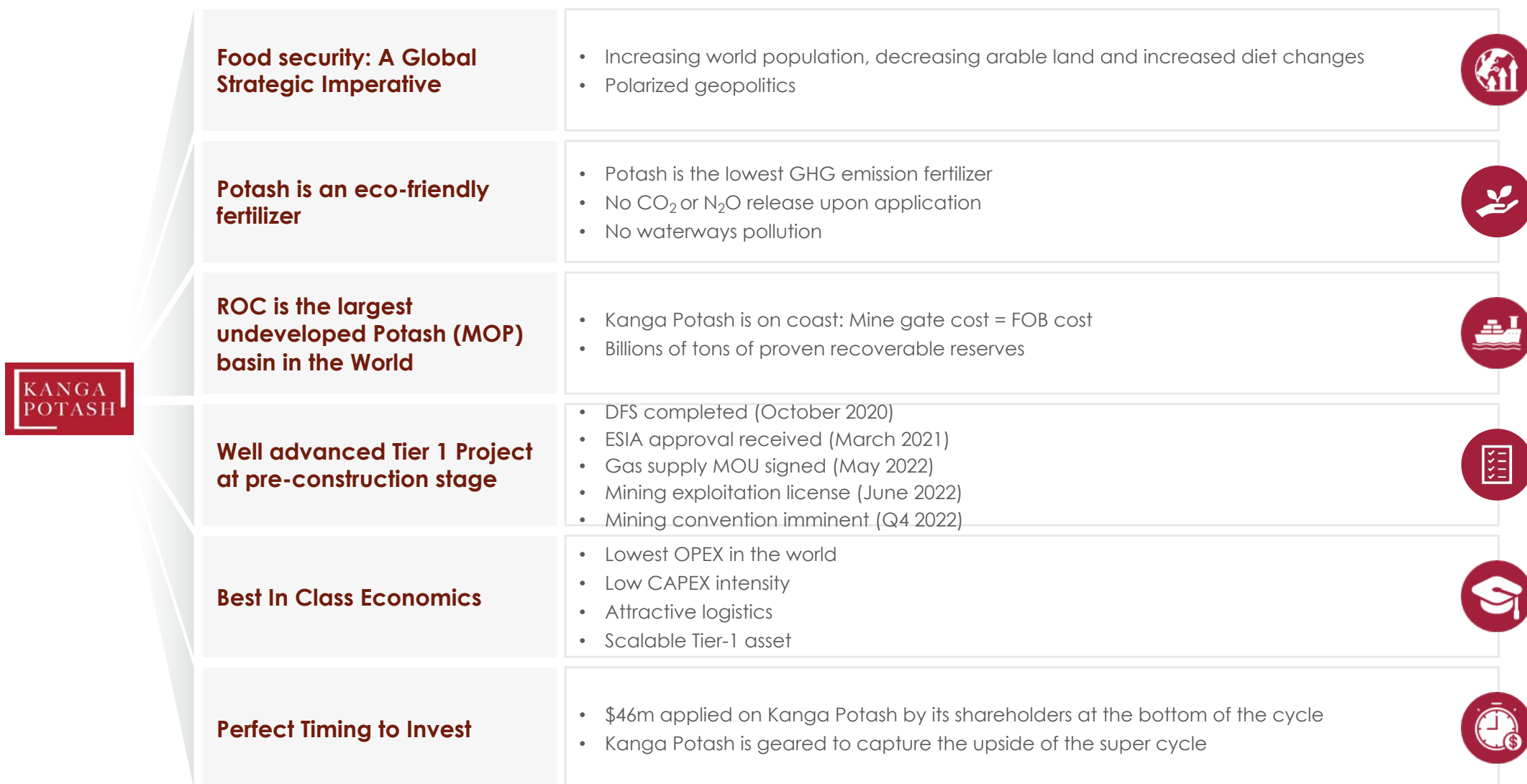
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## KANGA POTASH EQUITY STORY



INVESTMENT HIGHLIGHTS

**Huge resource, exceptional characteristics**



- Two licenses with c. 25B tonnes of potash resources
- Ultra thick carnallite seams of +/- 210m (mineable)
- Scalability on a huge resource with +/- 30 years LOM

**Logistics advantages**



- Plant and solution mining on the Atlantic coast (ex mine = FOB)
- Long and expensive logistics to the port of export being avoided

**Proximity to key potash markets**



- Shortest shipping time to Brazilian and African markets

**Competitive costs**



- Attractive CAPEX<sup>1)</sup>: \$457m (600K tpa)
- Globally lowest FOB cash cost: \$66/ton<sup>1)</sup> (600k tpa), potentially down to \$54/ton<sup>3)</sup> (2,4M tpa scenario)
- Low sustaining CAPEX: cavern life is in excess of 20 years per well

**Robust and compelling economics**



- 600K tpa<sup>1)</sup>: post tax NPV(12.2, nom) \$501m, post tax IRR 22.3%, average EBITDA of \$139m/pa at full capacity<sup>2)</sup>
- 2.4M tpa<sup>3)</sup> : tax NPV(12.2, nom) \$2.0b, post tax IRR 21.3% and an av. EBITDA of \$618m pa at full capacity<sup>2)</sup>

**Project at Pre-construction phase**



- \$46m invested over the last 6 years to develop the project
- MoUs signed for the off-take of 100% of the designated production
- Detailed term sheet signed with gas supplier
- 12 -15 months to FID requiring c.\$20m to complete FEED workstreams

**Regulatory approvals**



- Kanga mining exploitation license granted
- Mining convention submitted; approval expected in late November 2022
- ESIA Letter of Conformity (2021)
- All surface rights secured by decrees (2020)

**Strategically attractive to partners**



- Private equity groups
- Strategic partners (fertiliser companies and off-takers)
- Financiers (e.g., banks, debt funds)
- Pre-qualified EPC-F contractors

Notes  
 1) As per DFS (2020)  
 2) Nominal  
 3) As per PFS, stand-alone case

PRE - IPO OFFERING

**\$604m**

- **\$68m** – Current company valuation (\$80/sh last raise)
- **\$84m** – Pre-money company valuation for the pre-IPO raise (\$99/sh subscription price)
- **\$151m** – Risked project valuation as per FDC currently (company valuation of \$127m)
- **\$308m** – Risked project valuation as per FDC once off-take and financing is received (company valuation of \$260m)
- **\$604m** – Un-risked project valuation as per FDC report

**\$46m**

With \$46m invested over 6 years only the project is almost shovel ready



The Kanga project is expected to become the lowest cost producer globally within c. 3 years with first production anticipated in 2026

**\$20-30m**

- Company is expected to raise \$20m to \$30m in a listing in Q1 2023
- Funds will be used to further de-risk and advance project within 12-15 months to construction ready status



Kanga Potash is set to become a vital link in the global food supply chain in light of peaking potash prices<sup>1)</sup> and to potentially off-set production from Russia and Belarus



Strong support from current shareholders: AMED Funds, SARMIN Mining Inc. and Baker Steel Trust Resources

1) US sanctions are in place on Belaruskali, one of the leading MOP exporters; MOP prices could rise further if sanctions are placed on Russia over Ukraine

## Shareholders and Senior Management - Wealth of Experience in Africa and the Republic of Congo



**Stéphane A. RIGNY**  
SMI (shareholder)  
Executive Chairman

- Founder and CEO of SARMIN Holdings Inc. in 2014
- Over 20 years of professional experience in originating, structuring, funding and developing industrial and natural resource projects in the ROC as well as many other Africa countries



**Achim STRAUSS**  
Kanga Potash  
CEO

- Over 25 years of experience in large-scale project management and potash business/exploration development
- Formerly Vice President Engineering & Development of a TSX listed potash junior
- Managed the another carnallite solution mining potash asset from inception to project finance in the ROC



**Engin ADIGUZEL**  
Kanga Potash  
CFO

- Over 20 years of experience in financial management positions in services and natural resources sectors
- Successfully managed accounting, compliance and reporting functions of oil & gas joint ventures in Africa
- Certified Management Accountant (USA)



**Dr Mathurin ENAMA MENGONG**  
NewCo Mining SA (Kanga)  
Origins Exploration Congo

- PhD in Geology with over 20 years of mining and minerals experience
- Manages ROC subsidiaries NewCo Mining SA and Origins Exploration Congo SA
- Maintains relations with ROC authorities on various levels



**Rudolph DE BRUIN**  
AMED Funds (shareholder)  
Partner

- Founding Partner of AMED Funds and majority shareholder of Kanga Potash
- Rudolph focused his career on acquiring and developing mineral exploration and mining projects in Africa
- Advocate at the Pretoria Bar



**Vera IVANOVA**  
AMED Funds  
Director Finance

- 16 years of private equity, investment banking & strategy consulting experience, dedicated to the mining industry
- Successfully provided the full spectrum of services to mining and metals companies, including access to public and private equity markets, project finance, advisory/strategy consulting, and M&A



**Luke Knight**  
AMED Funds  
Director Portfolio  
Management

- Joined AMED Funds as a director responsible for portfolio monitoring
- Luke brings a wealth of experience in the management of exploration and development projects in Africa
- In the mining sector with a focus on South America and Africa since 1997

CORPORATE STRUCTURE

Strong shareholder support since the project's inception with \$46m invested to date

**AMED Funds (Luxemburg)**

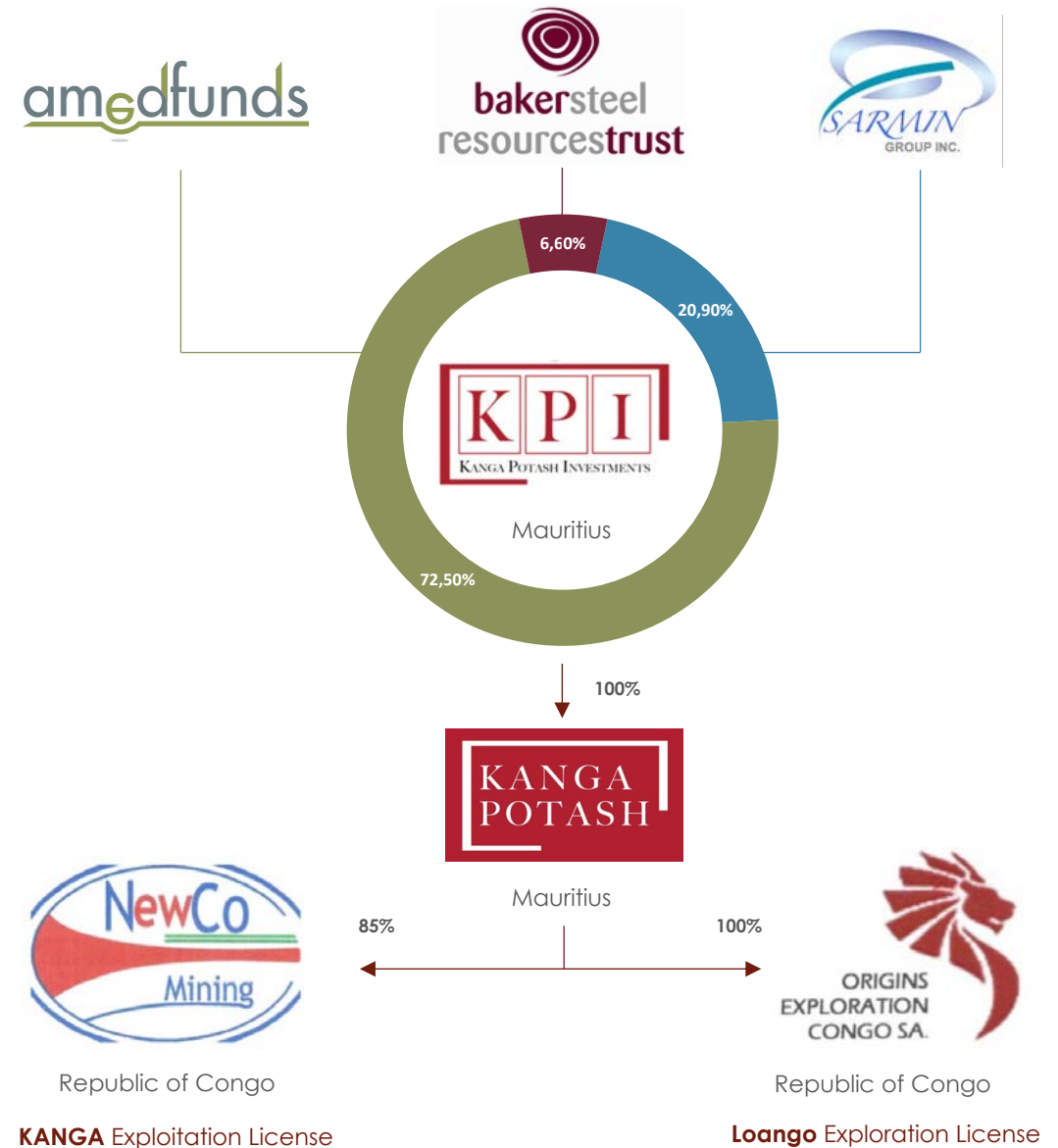
- Private equity group focussed on developing Tier 1 mining assets
- Geographical focus on Sub-Saharan Africa
- 13 mining assets in the portfolio at various stages of development (from exploration to production) and across multiple commodities (incl. copper, gold, bauxite, fluorspar, mineral sand, iron ore, fertilisers and building materials)

**SARMIN Group Inc. (Barbados)**

- SGI is a Barbados based private equity investment company focusing on the development of high value-added resources, infrastructure and energy projects in Africa

**Baker Steel Resources Trust (Guernsey)**

- LSE-listed investment company, investing predominantly in unlisted companies and specialist listed opportunities in the natural resources sector



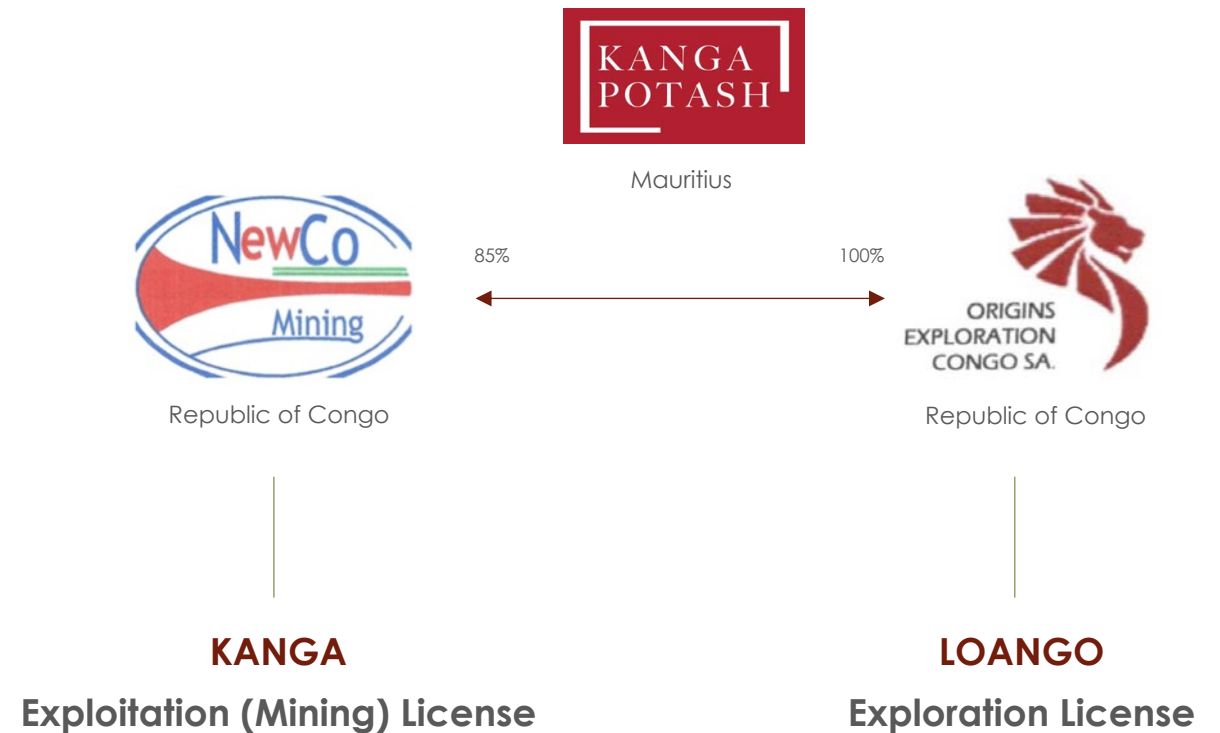
Kanga Potash holds two potash licenses via two local operating companies

**NewCo Mining SA (ROC)**

- ROC operating company and exclusive holder of the **Kanga** Exploitation license
- Kanga Potash owns 85% of NewCo Mining SA (NMS)
- 15% are held by NewCo Mining Mauritius (N2M)

**Origins Exploration Congo SA (ROC)**

- ROC operating company and exclusive holder of the **Loango** Exploration license
- Kanga Potash owns 100% of **Origins Exploration Congo SA** (OEC)





## More people... More food... **More potash**

Potash is a vital link in the global food supply chain.  
Kanga Potash utilizes innovative, sustainable production methods.



**Less Arable Land**  
**-14%**

Reduced arable land per capita drives the need for increased productivity

+



**Population Growth**  
**+34%**

By 2050 the world's population will reach c. 9 billion. 34% higher than today

+



**Changing Diet**  
**+63%**

Protein per capita is increasing from 80g to 130g per day. Urbanization, higher income, etc. are driving diets to higher valued crops

=



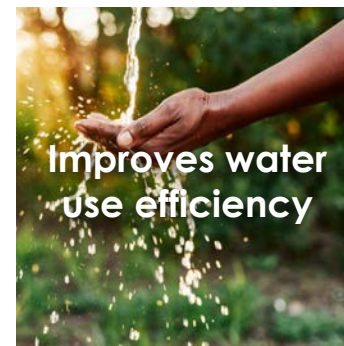
**More KCI**

Fertilizer and scientific applications of fertilizer are a key instruments to higher productivity and yields

Source: public domain

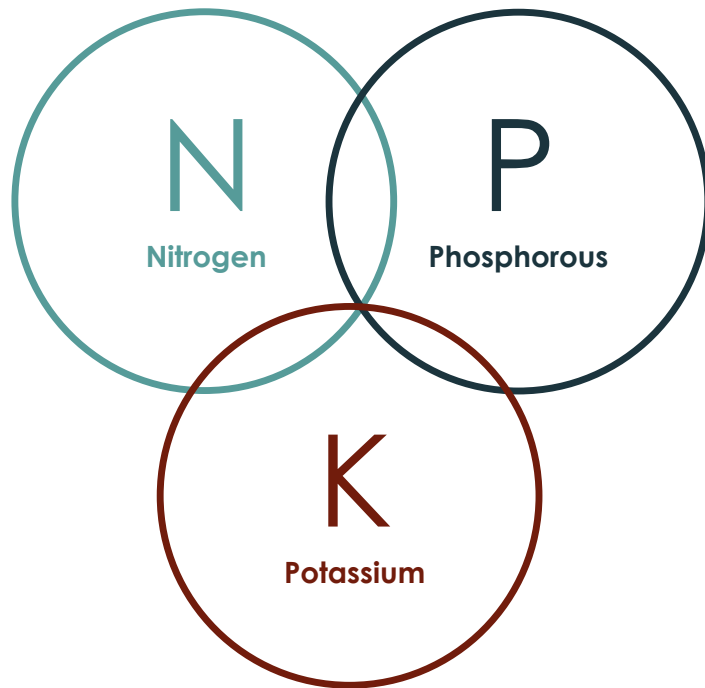
## Muriate of Potash (MOP) – KCl

- Global market of **c. 70m** tons per year (2021)
- More than **90%** of potash produced globally is used for fertilizers and is the most common form of potassium fertilizer (KCl)
- Primarily used for **carbohydrate crops**, e.g., rice, wheat, corn, oats, barley, etc.
- **Lower cost** and therefore most widely used

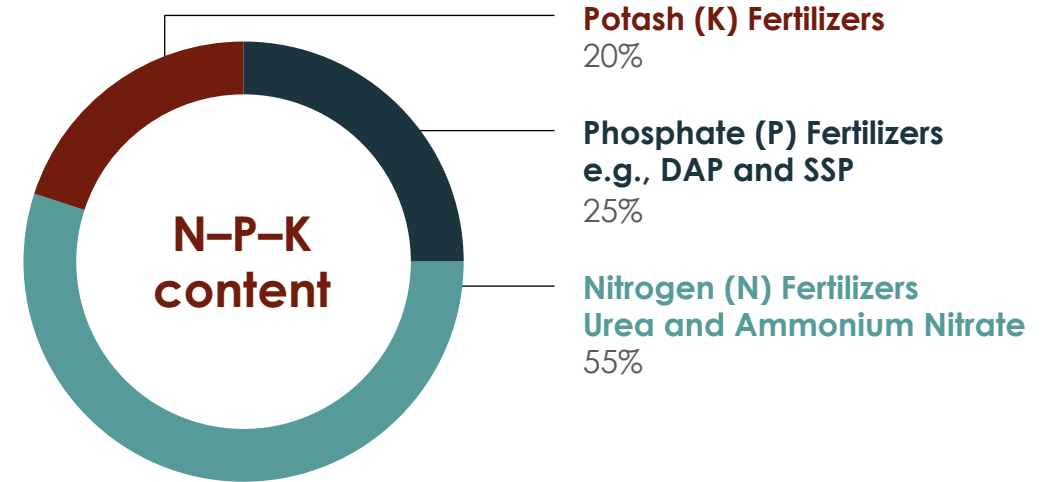


Potassium (K) is one of the 3 principle components of fertilizer labelled by their N – P – K content

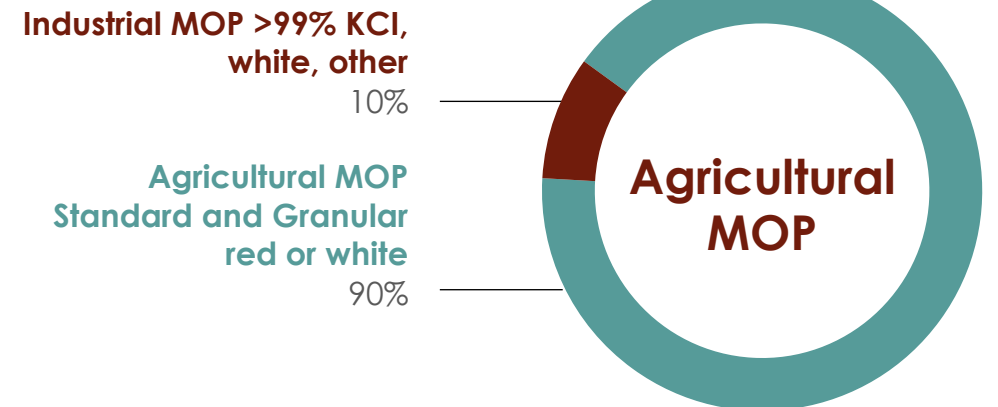
Potassium Chloride or MOP (Muriate of Potash) is a main and most economic essential source of Potassium Nutrient



Source: Company data, public domain



DAP Diammonium Phosphate, SSP Single Super Phosphate



## Demand

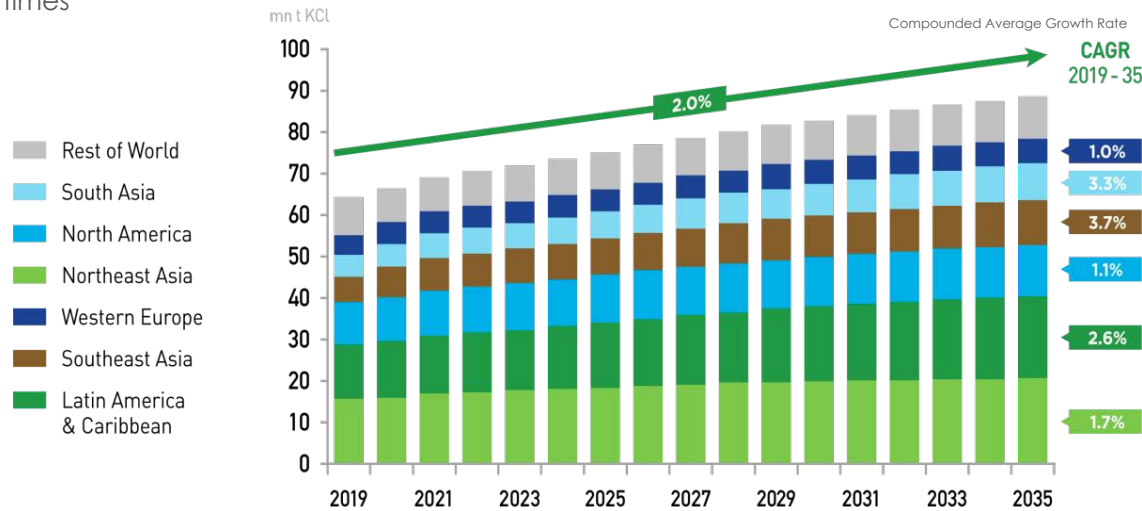
- Global MOP demand growing at 1 - 2mt per annum consumption (c. 70m tons of MOP, 2021) or respectively at a 2% CAGR, resulting in total demand of 88.7m tons by 2035
- Four largest markets being China, Brazil, India and the USA) - c. 60% of demand
- Developing regions such as Africa, Asia and Latin America have accounted for much of the demand growth in recent times

## Supply

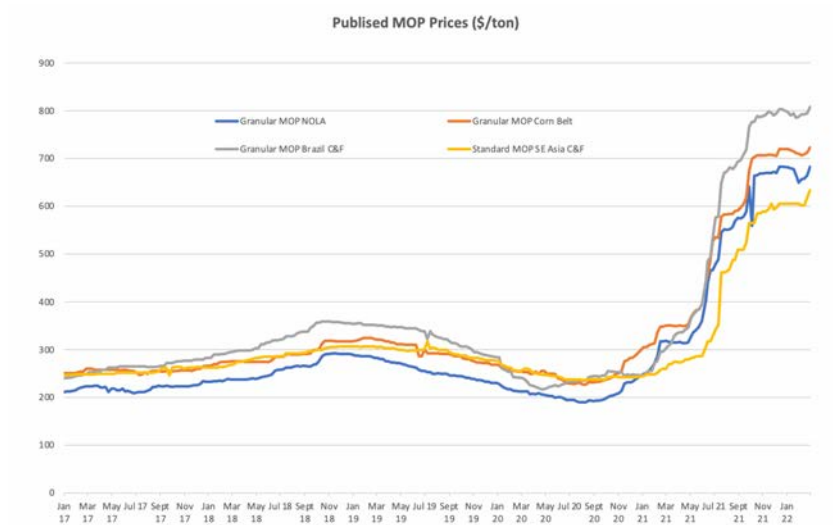
- Four countries (Belarus, Canada, China and Russia) account for nearly 80% of global capacity
- Entrance of new basins will give buyers more options in an oligopolistic market

## Prices

- Assuming moderate demand growth (base case), the average MOP pricing is expected to be c. \$350 per ton for much of the remaining 2020s
- Current prices in Kanga's main target markets are spiking at ca. \$900-1,000 per ton MOP (March 2022)



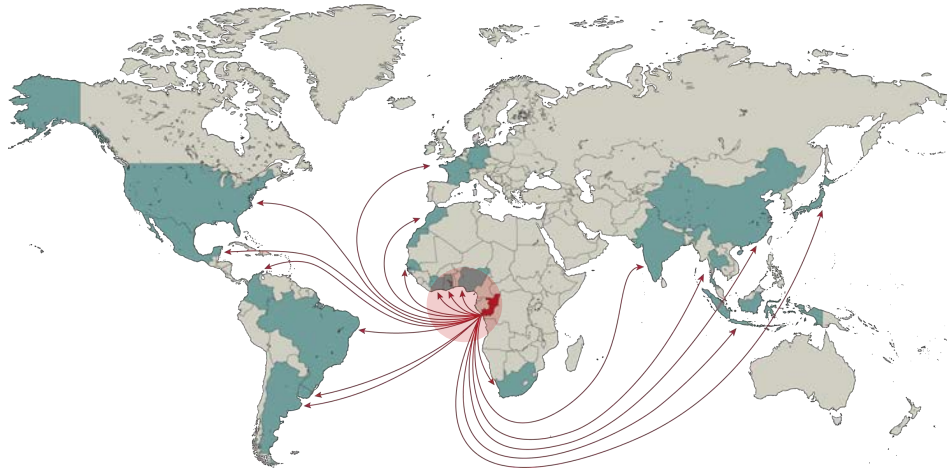
Source: Company data, public domain



Week low, high and average prices are based on Mosaic's assessment of internal pricing information as well as averages from several weekly publications.

## Brazil and Africa provide future growth areas for potash demand

### Kanga Potash's Market Drivers by Region



	Dist. / Time to port	Sailing time to Brazil	Nautical miles
<b>Kanga Potash</b>	0 km	8-10 days	c. 3,800
<b>Russia</b>	~1,700 km ~2-3 days	26-29 days	7,541 – 8,982
<b>Germany</b>	+/-350 km ~ 7-10 hrs	25-28 days	6,575 – 8,017
<b>Canada</b>	~1,750 km ~3 days	31-34 days	8,645 – 9,843

#### Africa

- Morocco offers potential in Northern Africa
- Growing demand in e.g., South Africa, Ivory Coast, Nigeria, Senegal and Ghana will be important markets for potash with good sales opportunities and short export routes
- NPK blending hubs along Africa's West coast can be easily reached with significant cost advantages

#### North, Central and South America

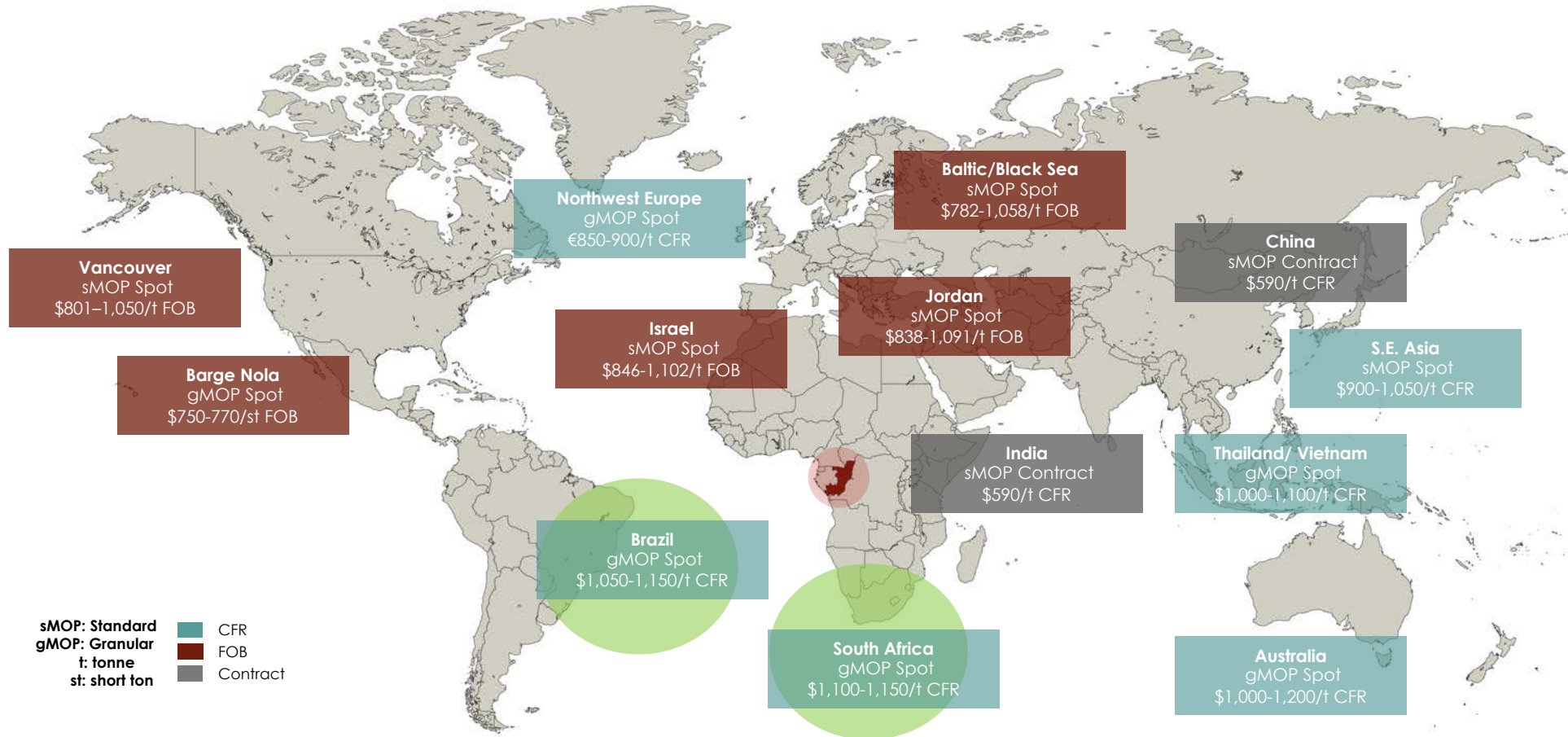
- Brazil is due to grow over 2-3% and is a target for off take with the short shipping route of 8 to 10 days straight sailing from the ROC thus avoiding long transport distances that other producers require
- Brazil is expected to reach c. 13m tons MOP by 2025 (11.8m tons, 2021)
- Growing demand in e.g., Argentina, Columbia, Mexico and Uruguay could be further important markets

#### China, India and South East Asia

- Kanga Potash may provide a new source of high grade MOP to China, India and South East Asia

SALES STRATEGY

Kanga's location provides significantly lower potash freight rates to target markets such as Brazil and Africa, meaning higher netbacks at mine gate



(Public domain, ARGUS Media Group, June 2022)

## The Kanga Project will be one of the country's largest industrial projects, an important step in diversification

### Republic of Congo



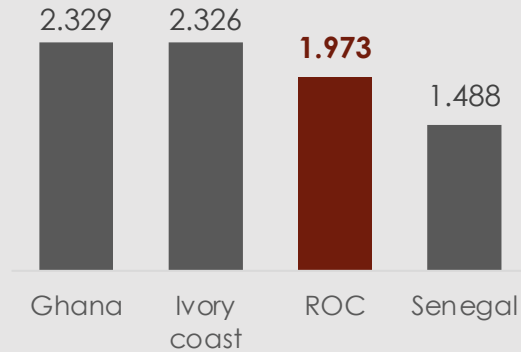
### Select international groups with strong presence in the ROC



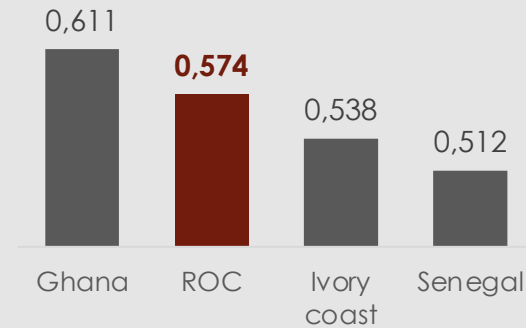
Source: Company data, public domain

- The Republic of Congo (ROC) is a small and relatively sparsely populated country of +/-5.4 million inhabitants (2021) in Central Africa
- The current President of the Republic of the Congo, His Excellency Denis Sassou Nguesso, was elected in March 2021 following democratic elections; the next elections will be held in 2026
- The Project is particularly important to the ROC, as currently the oil sector is the pillar of the ROC economy, accounting for c. 80% of fiscal revenue, c. 40% of GDP and over 80% of export earnings
- The government's policy is focused on political reform and economic diversification
- The Republic of the Congo became a full member of OPEC in June 2018
- A safe country and a stable mining jurisdiction

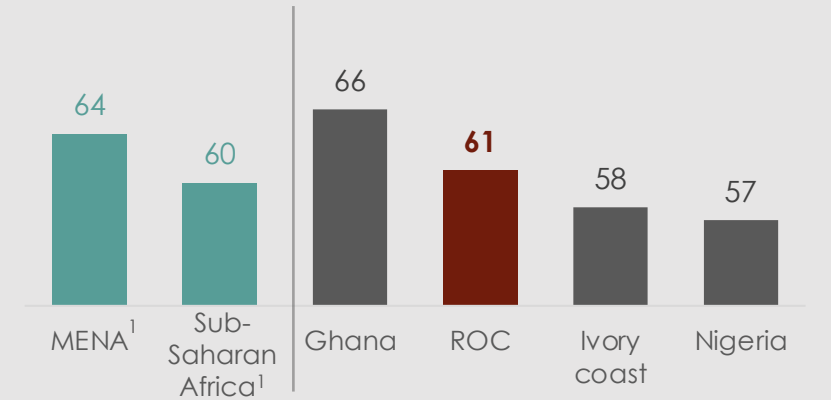
**GDP of ROC and select regional countries( in \$ 2020)**



**HDI of ROC and select regional countries (2020)**



**Regional Political Risk score of ROC and select regional countries and areas (2020)**



(1) Average

## Economy

- The ROC and China announced a MOU for national development plan 2022-2026 in June 2021
- ROC's largest export partners are China (53.8%), Angola (6.2%), and Gabon (5.7%)
- The ROC is the 4<sup>th</sup> largest Oil & Gas Sub-Saharan producer with 340,000 bpd
- A 2<sup>nd</sup> refinery is under construction for \$600m CAPEX

## Natural Gas Infrastructure

- New gas turbine power station with current capacity of 484 MW (expanded from 314 MW in 2019) situated at D'Jeno south of Pointe Noire
- ENI's owned and operated valve station near the village of Mengo is only 33km from Kanga Potash's processing plant via a dedicated corridor
- Treated process gas is available to Kanga Potash LoM and beyond

## Other Infrastructure

### Brazzaville

- The Maya Maya airport was rebuilt in 2010 with a 2<sup>nd</sup> phase completed in 2013
- Various airlines operate national and international flights, including to Pointe Noire
- The recently built N1 highway (2016) links Brazzaville and Pointe Noire; the N1 was inaugurated at a cost of €2B

### Pointe Noire

- Antonio Agostinho Neto International Airport serves the city of pointe Noire
- Pointe Noire has a deep-water port facilitating international container and bulk shipping, and provides access to vessels of up to 15m draught



## Kanga Mining Convention

### Favourable mining jurisdiction with strong support of the Government

#### Agreed mining convention parameters (extract):

- An inter-ministerial committee has approved the Kanga mining convention
- The convention is expected to be signed by the authorities in November 2022 following the ratification by the ROC Parliament in Q1 2023
- Double Tax Treaty ("DTT") between Mauritius and the ROC
- ROC Government receives a 10% free-carry in KP's operating company
- Corporate income tax rate: Y1 - 5: 0%, Y6 - 10: 7.5%, Y10+:15%
- Capital gains tax: 0%
- Withholding tax: 0%
- Tax holidays of up to 5 years
- Tax losses can be carried forward up to 5 years after tax holidays
- VAT and customs duties are fully exempted during construction
- Export of goods and products: exemption on all taxes (incl. VAT) and duties
- Mining royalty: 3% on net sales revenues

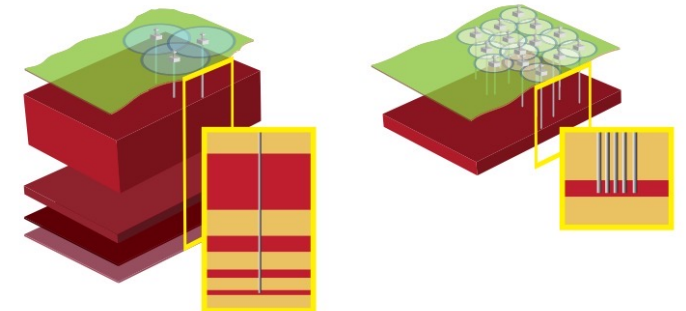
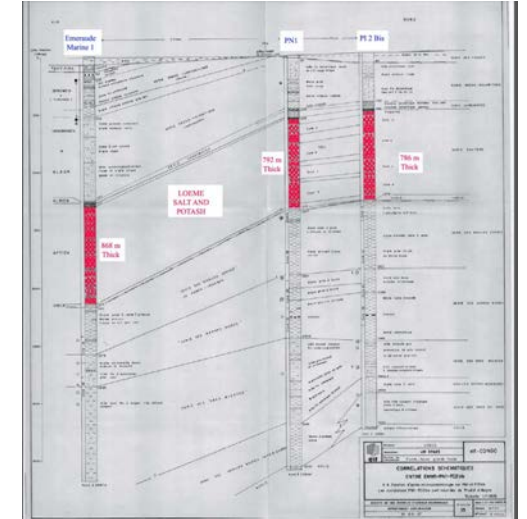


Source: Company data

## Proven Potash Basin: From 1969 to 1977 the Congo Produced and Exported c. 7m tons of MOP

### World's only Known and Proven "SUPER SEAMS" are held by Kanga Potash

- Kanga Potash Project: in the heart of the Congo Coastal Potash Basin
- World's Largest Near Development Basin: several evaporate cycles identified and studied - deposits of huge amounts of potash
- Kanga Potash acquired a massive petroleum and potash database from more than thirty wells drilled
- Detailed Proprietary Geological model developed by AMED Funds and ERCOSPLAN identified and subsequently proved Kanga Potash's mineable SUPER SEAMS of more than 210m thick as existing only on Kanga Potash's licenses





Kanga Exploration drilling ceremony with communities - (2017)



Weather station



Kanga Exploration drilling campaign, CAROIL O&G rig (2017)



Kanga Exploration drilling campaign (2017)



Kanga Exploration drilling campaign, CAROIL O&G rig (2017)



Kanga core sample(2017)



Kanga Exploration owner's team, exploration campaign (2017)



SEMM Logging, on-site core assessment (2017)



Kanga site investigation (2017)



Carnallite core sample boxes (2017)

## Exploration results confirm the Kanga license has ultra thick potash seams' sequence known to date

### Overall mineable thickness in excess of 210 meters

67.7% av. carnallite grade (KCl 18.2 % eqv.)<sup>1)</sup> compared to other solution mining project featuring only c. 15-40m

### 602m of core (HQ) samples from all exploration wells

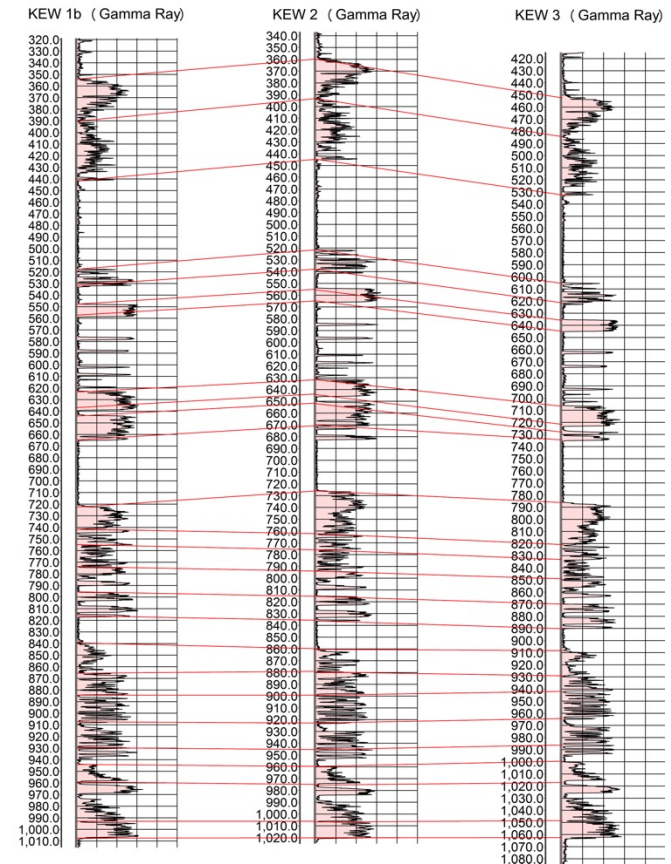
Core samples in accordance to NI 43-101 requirements during the PFS phase (2017-2018) to confirm geological and solution mining parameters

### Assays from all exploration wells confirm

- Excellent correlation between all exploration holes and historic reference wells showing flat lying, continuous potash seams
- 13 mining horizons identified between 300 and 1100 meters from surface

### Reduced sustaining capital costs

Caverns operate with >20-year life



Source: ERCOSPLAN, company data  
1) DFS results

The largest carnallite deposit discovered (2017)  
c. 12Bt of resources at Kanga plus a further c. 13Bt at Loango

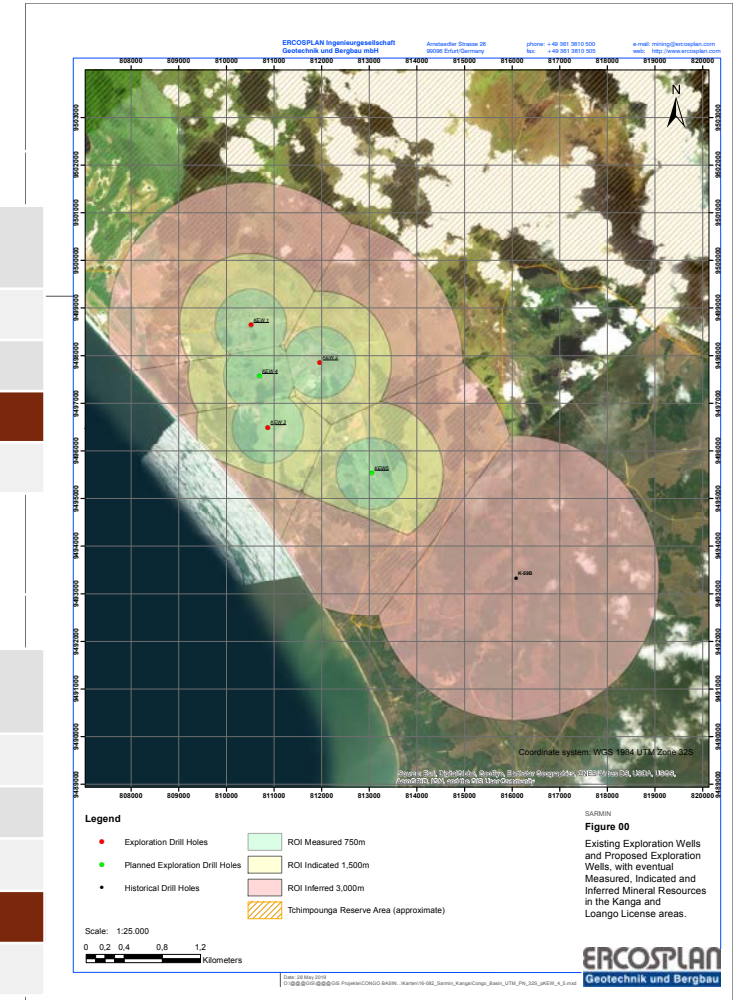
**Kanga - Mineral Resource MOP (NI 43-101 compliant)**

	Carnallite tonnes	Av. Carnallite content (%)	Av. KCI content (%)	KCI tonnes	LoM years
Indicated	4.730 B	63.8	17.1	0.810 B	
Inferred	7.160 B	61.4	16.7	1.180 B	
<b>Total (I&amp;I)</b>	<b>11.890 B</b>			<b>1.990 B</b>	
Probable Reserve (600K tpa), DFS	131 M	67.7	18.2	24 M	40

**Loango - Mineral Resource MOP (NI 43-101 compliant)**

	Carnallite tonnes	Av. Carnallite content (%)	Av. KCI content (%)	KCI tonnes
Indicated (KEW3)	0.217 B	61.0	16.4	0.035 B
Inferred (KEW2, KEW3) <sup>1)</sup>	2.218 B	62.7	16.8	0.373 B
Inferred (K59B)	10.968 B	59.9	16.1	1.763 B
<b>Total (Inferred)<sup>2)</sup></b>	<b>13.403 B</b>			<b>2.171 B</b>
Probable Reserve	16.1 M	61.9	16.6	2.7 M

1) Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3  
2) Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3 and historic well K59



Source: ERCOSPLAN

By drilling one more well Kanga Potash will achieve sufficient Measured Resources granting 600,000 tpa MOP production and more

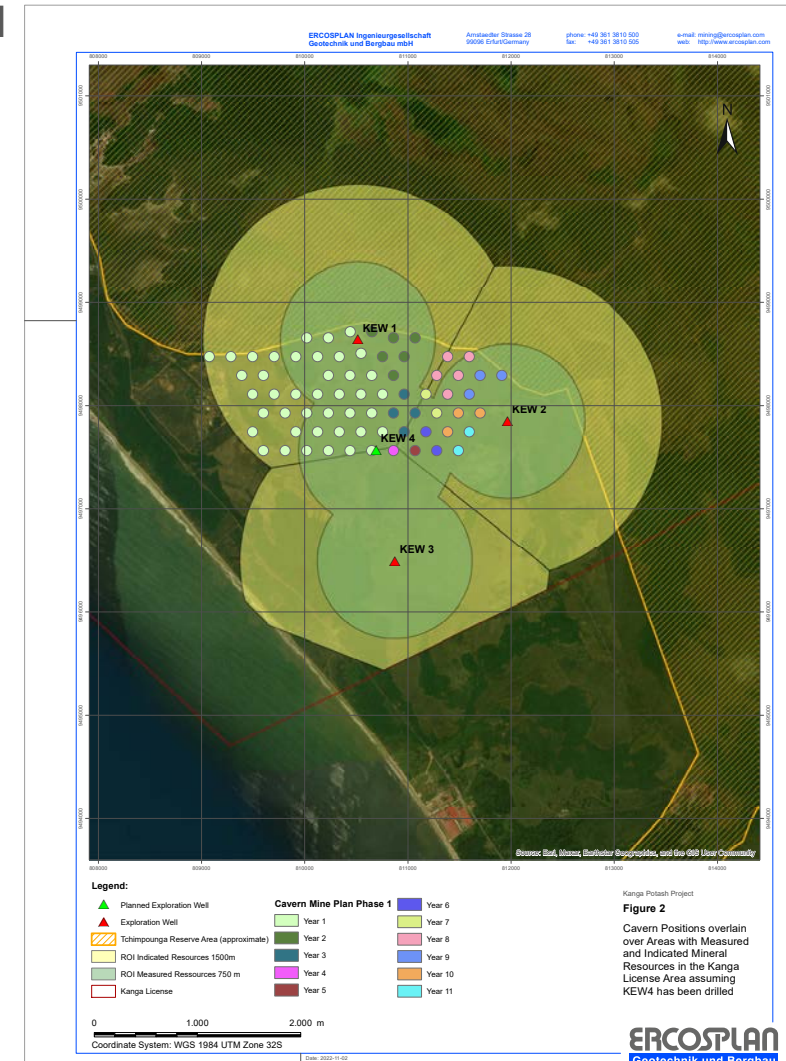
**Kanga - Mineral Resource MOP (NI 43-101 compliant)  
Summary of Measured Resource<sup>1)</sup> considering four Exploration Wells**

	Carnallite (M tonnes)	Av. Carnallite content (%)	Av. KCl content (%)	KCl (M tonnes)
KEW 1B	404	65.1	17.5	71
KEW 2	563	65.4	17.5	99
KEW 3	362	61.4	16.5	60
KEW 4 (during FEED)	454	63.2	17.0	77
<b>Total (average)</b>	<b>1,762</b>	<b>63.9</b>	<b>17.1</b>	<b>306</b>

Source: ERCOSPLAN

- To achieve 600,000 tpa MOP production over a Life of Mine of 30 years all required caverns<sup>3)</sup> (c. 70 single well caverns) can be placed within the area of Measured Resources
- The remaining Measured Resource area can be used for future expansions
- The Measured Resource will increase with each additional well drilled within the radius of influence

1) Measured resource estimate is based on a fourth exploration well summing the same geology as identified for the other 3 exploration wells  
 2) Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3  
 3) see Map legend: only those wells up to Y10 will be required for 600K tpa MOP production



**KANGA and LOANGO are the only license areas in the ROC covering ultra-thick seams**

**KANGA**

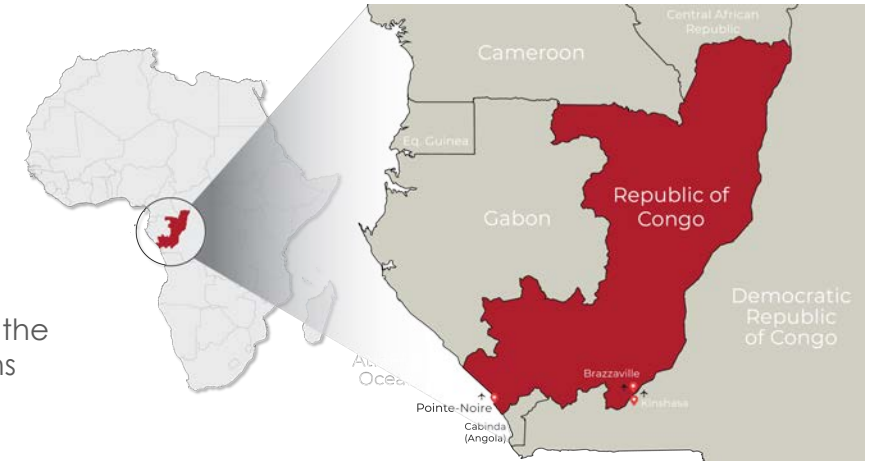
**Exploitation License**

- Kanga Potash owns 85% of the Kanga license holder NewCo Mining SA
- Mining Exploitation license was granted on 17 June 2022 by the ROC Council of Ministers
- Confirmation that inter-ministry negotiations have been completed
- Ratification of the mining convention by the ROC parliament anticipated in Q1 2023
- License area covers 320 km<sup>2</sup> with only c. 3-7 km<sup>2</sup> required for 600K to 2.4M tpa production

**LOANGO**

**Exploration License**

- Kanga Potash owns 100% of the Loango license holder Origins Exploration Congo SA
- Loango's formal renewal for 2 years (1<sup>st</sup> renewal) received the formal decree in March 2022
- The License can be renewed one more time for 2 years (2<sup>nd</sup> renewal) in March 2025
- License area covers 352 km<sup>2</sup>
- The Northern part of the Loango permit shows a continuation of thick seams drilled at Kanga



Source: Company



## Kanga features a unique location in immediate proximity to the shore and a short distance to natural gas



Source: Company, WSP, Novopro

- The project site is located c. 32 km north of the main economic hub of Pointe Noire
- The production facilities will be in immediate proximity to the Atlantic ocean
- Kanga Potash will operate its own transshipment jetty
- Access to local natural gas over life of mine via a dedicated 33km long gas pipeline
- The environmental footprint is very small with only up to 7km<sup>2</sup> of mining surface area required for an annual production of 2.4M tpa over life of mine

Kanga Potash is being advised by Vermilion and Natixis as well as TELL GROUP in its search for strategic investors

### Value maximization for Kanga Potash's shareholders



- Integrated Vermilion and Natixis advisory team covering potential investors and/or buyers
- Global reach to strategic and financial investors
- Strategic advisory services
- Implementation of a structured sale process
- Natixis has a worldwide network of over 350 M&A professionals and specialist sector knowledge
- Vermilion is one of the largest cross border advisory teams in mainland China, with more than 25 years of track record as a team



- TELL advisory team (Dubai) covering strategic advisory services
- Potential investors and/or buyers in the Middle East and Southeast Asia
- Global reach to strategic and financial investors

## Kanga Potash has received significant interest from off-takers

### Letters of Intent (2021)

#### European Trading Company

- 100% of Kanga's MOP production (backed by bank letter)
- Main target market: Brazil
- Target: Bankable marketing agreement

#### Asian Trading Company

**Fortune 500 company, USD100bn+ trading revenues**

- 100% of Kanga's MOP production
- Main target markets: Brazil, Africa and SE Asia
- Target: Bankable Take or Pay off-take
- Interest in food grade NaCl by-product<sup>1)</sup>

<sup>1)</sup> see Annexure for details on food grade table salt by-product

### Expression of Interest

#### Fertilizer Strategic

- Main target markets being Brazil and Africa
- Bankable Take or Pay off-take

#### Strategic African Fertilizer Strategic

- Main target market being Brazil, Africa, North America and Europe
- Bankable Take or Pay off-take

#### European Fertilizer Trading Company

- Main target market being Brazil, North America and Europe
- Bankable marketing agreement



## Kanga Potash has finalized a term sheet with a major O&G service provider

### Detailed gas supply term sheet signed

- The ROC Government has decided to contribute its portion of gas, as provided for in the production sharing agreements, towards domestic economic development
- Sufficient gas quantities are available from different gas sources for all production scenarios, this gas is currently being flared by the designated O&G provider
- Technical specifications, gas properties and battery limits are confirmed and agreed
- Gas Supply Agreement (GSA) has been drafted and under review by O&G provider
- Company concluded a favorable price negotiation
- GSA expected to be signed in Q4 2022
- Management negotiated a similar gas supply agreement for another potash deal in the ROC in 2008

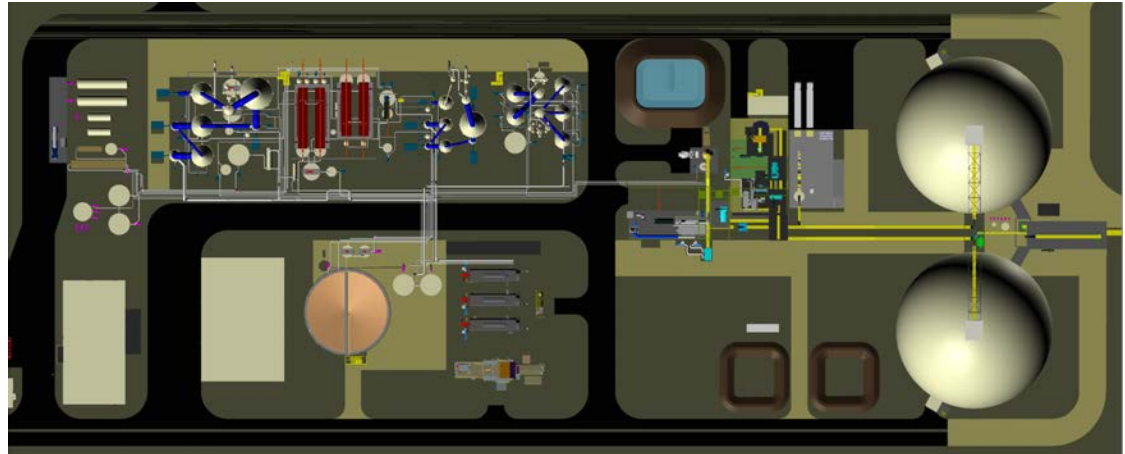
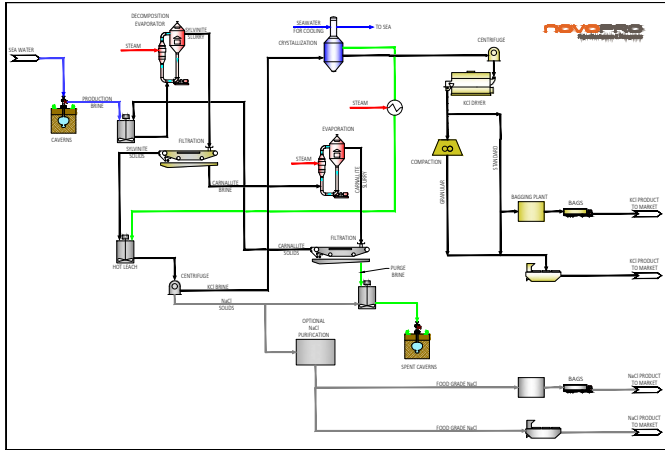


Source: Company, Novopro

- Kanga new gas pipeline
- Existing gas pipeline

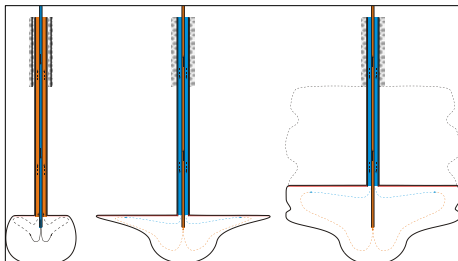
PROCESSING METHOD

A clean, proven, and efficient processing method



Source:Novopro

Main process steps



The mining and processing methods are proven, well-known, with different operating plants utilising the same methodologies around the world

## Kanga Potash can offer a range of attractive production options

- Comprehensive Pre-Feasibility Study (2018) and a DFS (2020) in accordance to NI 43-101 requirements
- Flexibility to start the project with a small scale, low CAPEX production and adapt to market demands by scaling upwards through a series of expansion projects
- Extensive trade-off studies determined the most economic project configuration with the optimum evaporator/crystallisation module size being 600,000 tpa
- As a result, the PFS and DFS studied **6 capacity** scenarios:

**Four robust stand-alone scenarios** reaching nameplate capacity in a **single** phase:

- 400K tpa (PFS)
- **600K tpa (DFS)**
- 800K tpa (PFS)
- 2,400K tpa (PFS)

**Two phased scenarios potentially funded from cash flow** reaching nameplate capacity in **several** phases starting with 400K tpa

- 800K tpa in two phases (2 x 400K tpa, PFS)
- 2,400K tpa in three phases (adding another 1.6M tpa, PFS)



## Kanga Potash has received MoUs from pre-qualified EPC contractors (India, China and Europe)

### MoUs received concerning c. \$300m direct CAPEX bid

- Overall EPCm with a strong and experienced owner's team
- Lumpsum Turnkey package for all key components including process and other tangible guarantees, or designated packages only
- Export Credit Agency funding of up to 85% of the required debt subject to final local content
- Assistance of the Sponsor in debt finance from credit agencies
- Solid track record and implementation experience in Africa
- Strong and long standing with commercial lenders
- Potential BOO package(s) will be investigated (e.g., transshipment, heat and power infrastructure)



## ESIA Letter of Conformity

Received in March 2021

Base line studies completed in 2019/2020

## No issues of concern

In relation to the physical, biological or socio-economical environments have been identified to date

## Project will use sea water

No use of fresh water sources and up to 75% less water usage per tonne than conventional mining methods

## No relocation of people

Carnallite seams will be solution mined within an uninhabited area

## Small physical footprint

The project requires a very small surface area of c. 3 – 7 km<sup>2</sup> over 30 years Life of Mine  
No tailings will be stored on surface.

## Community development and stakeholder engagement

Creation of up to c. 800 jobs annually during 30-months construction period and employment of c. 290 permanent staff (600Ktpa module)



*Creating Markets, Creating Opportunities*

Source: Company data, Novopro, ERCOSPLAN





# KEY MILESTONES ACHIEVED TO DATE

Kanga Potash has developed the project to pre-construction in just 5 years

## 2016 – 2019

- Project initiation (2016)
- Development of a comprehensive geological model (late 2016)
- Assessment of potential exploration drilling areas (December 2016 to January 2017)
- Exploration drilling programme (May to September 2017)
- Confirmation of geological and solution mining parameters (June 2017)
- Pre-Feasibility Study completed on a range of production scenarios (2018)
- Preparation and kick-off of Definitive Feasibility Study workstreams (2019)

## 2020 – 2022

- Preliminary discussions with potential strategic partners, project finance providers and off-takers (ongoing)
- Surface rights for plant, solution mining area and linear infrastructure corridor secured (March 2020)
- Definitive Feasibility Study completed on 600,000 tpa production module (October 2020)
- Two Letter of Intents from reputable trading companies for 100% of Kanga's MOP production (2021)
- ESIA Letter of Conformity received in (March 2021)
- Laongo exploration license 1<sup>st</sup> renewal (March 2022)
- Detailed term sheet signed for the supply of natural gas (May 2022)
- Kanga Mining Exploitation license granted (June 2022)
- Mining convention is expected to be signed in November 2022

# TIMELINES TO COMMERCIAL PRODUCTION

## Kanga's aims to start construction in 2023 and commercial production in 2025/2026



### Front End Engineering Design to Final Investment Decision

- Obtain Mining Convention
- Finalize Contracting strategy with a lead EPCm
- Augment Owner's team
- Finalise EPC packages
- Finalise Environmental workstreams
- Finalise key agreements and equipment/process packages
- Finalise construction finance
- Commence early works (e.g., drilling of commercial wells)

### Construction

- EPCm with strong owner's team
- EPC(s) for distinct work packages, e.g. wet plant (crystallization and evaporation, storage, jetty, dry plant (compaction), linear infrastructure
- Kanga Potash will manage production well drilling and cavern development
- Build up of O&M team
- Training programme

### Commissioning and Ramp up

- Commissioning
- Gradual production increase to full name plate capacity

### Commercial Production and expansion(s)

- Commencement of MOP production at name plate capacity
- Enhanced revenue streams by adding by-product packages such as the production of food grade table salt and bischofite
- Phased expansions

## Robust financial returns on Kanga's initial BASE CASE scenario - 600K tpa MOP production

Total Capacity, tpa MOP	600,000 (BASE CASE)		
Start of construction	2024		
Start of Production	2026		
<b>OPEX, \$ per ton KCl, FOB (2020 real)</b>	<b>66.5</b>		
<b>CAPEX, \$M (2020, real)</b>	<b>457</b>		
FOB LoM avg. blended MOP Price, \$/t (real)	327 <sup>1)</sup>	330 <sup>2)</sup>	396 <sup>3)</sup>
post-tax Project NPV(12.2 nom), \$M	527	564	821
post-tax Project IRR, % (nom.)	23.5	24.7	29.5
EBITDA, \$m p.a. (nom.)	137	138	173

Source: Company data

## Notes

1. Base case scenario, based on market study provided by KP marketing consultant
2. 3-years rolling average scenario as of Feb. 2022, assuming \$25/t freight rate Point Noire – Brazil and \$40/t Point Noire – Southeast Asia
3. Price simulation based on peer group pricing assumptions including Kore Potash, Emmerson and Highfield Resources, assuming \$25/t freight rate Point Noire – Brazil, and \$40/t granular vs standard premium

- KP's Base Case financial model is based on the 2020 DFS assumptions for capex and costs (including gas prices, not agreed yet with supplier) and updated with most recent MOP prices, including a 2% constant inflation rate both on revenues and costs
- Three different scenarios have been considered:
  - Third party marketing study<sup>1)</sup>
  - Last 3-years rolling average<sup>2)</sup>
  - Peer group pricing assumptions<sup>3)</sup>
- Current Potash price: c. \$650 per ton CFR Brazil (spot, October 2022)

## Robust economics at every scenario with a large range of optionality despite conservative price assumptions (DFS and PFS)

	600K tpa (DFS) <sup>1)</sup>	400K tpa (PFS) <sup>2)</sup>		800K tpa (PFS) <sup>2)</sup>		2.4M tpa (PFS) <sup>2)</sup>	
	Stand-Alone	Stand-alone	Phased	Stand-alone	Phased	Stand-alone	Phased
OPEX <sup>1)</sup> \$/ton MOP, FOB	65.5	73.5	75.5	63.9	65.7	53.5	54.6
Sustaining Capital \$/t	9.6	10.6	5.3	9.4	5.9	9.8	4.5
Incremental CAPEX \$/M	---	336	359	610	265	1,605	995
Total CAPEX, \$/M	457	336	359	610	624	1,605	1,619
post tax NPV(12.2) <sup>4)</sup> , \$M	501	237	225	572	527	1,957	920
post tax IRR <sup>4)</sup> , %	22.3	18.4	17.8	19.6	20.4	21.3	21.4
EBITDA <sup>4)</sup> , \$m p.a.	139	90	90	190	183	618	400

Source: Company data, SIDUS, Novopro

## Notes

- OPEX based on: natural gas price of \$50/1000Nm3 (eqv. \$ 1.22 per MMBTU), assumption based on 2020 DFS, gas price not agreed yet with gas supplier. Also includes plant closure costs, excluding royalties, over 30 years LOM
- CAPEX, OPEX and sustaining Capital are expressed in real terms (2020)
- CAPEX, OPEX and sustaining Capital are expressed in real terms (2018)
- Based on Standard MOP FOB price avg. 2025-2035: \$297/ton (PFS), \$282/ton (DFS)

## Further upside represented by Food Grade By-products Valorization

- Kanga Potash's resource contains halite (NaCl-salt) which will be mined out during the solution mining process along with carnallite (from which Kanga Potash will produce KCl)
- During the DFS NaCl was considered a waste product which would be left in the return brine and pumped back to depleted caverns or the ocean in accordance to regulatory approvals obtained by the authorities in line with best practices
- The additional NaCl quantities demonstrate a significant value add
- Valorization of its process by-product offers additional opportunity adding further value to the project

### Economics – NaCl add-on Production Module

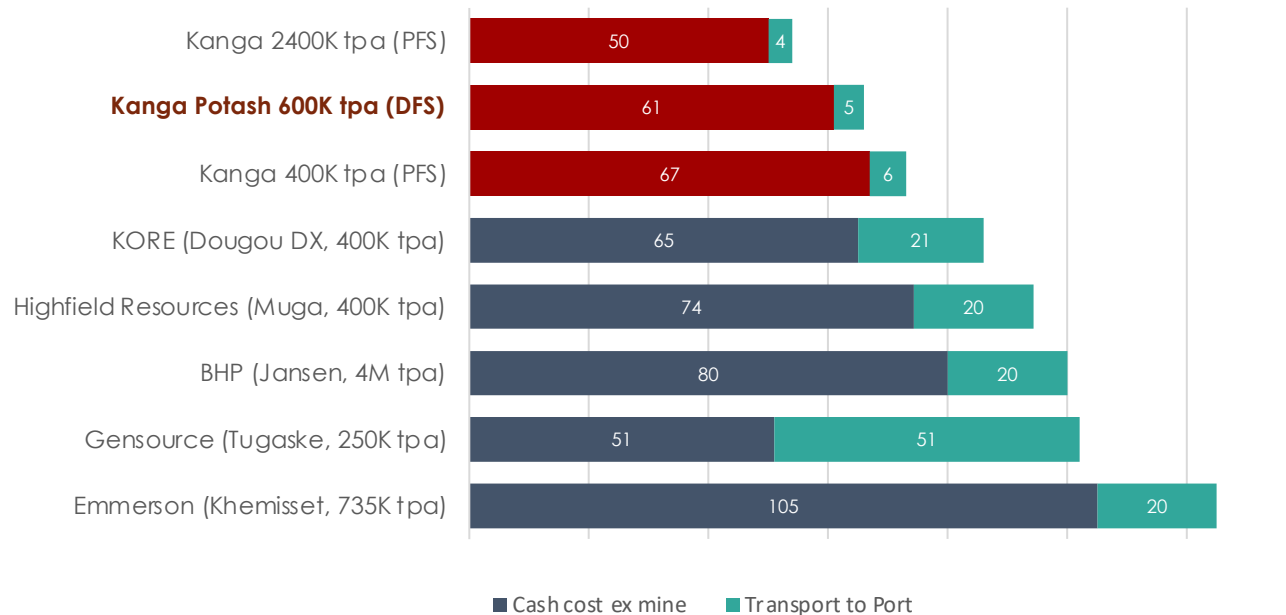
- 612,000 tons per annum
- Food grade salt (99.4% to 99.7% NaCl)
- \$82 per ton FOB Pointe Noire
- OPEX \$15/t NaCl
- CAPEX \$26M

	MOP 600K tpa <sup>1)</sup> (DFS)	MOP + NaCl 600K + 612K tpa	Delta
Post-tax Project NPV (12.2), \$m	501	797	296
Post-tax Project IRR, %	22.3	27.0	4.7
EBITDA, \$m p.a.	139	182	43

Notes  
1) As per DFS

## Improved robust economics for Kanga Potash based on an initial MOP capacity of 600,000 tons per annum (DFS)

FOB Cash Operating Costs (\$/t) MOP ex-mine plus freight to port

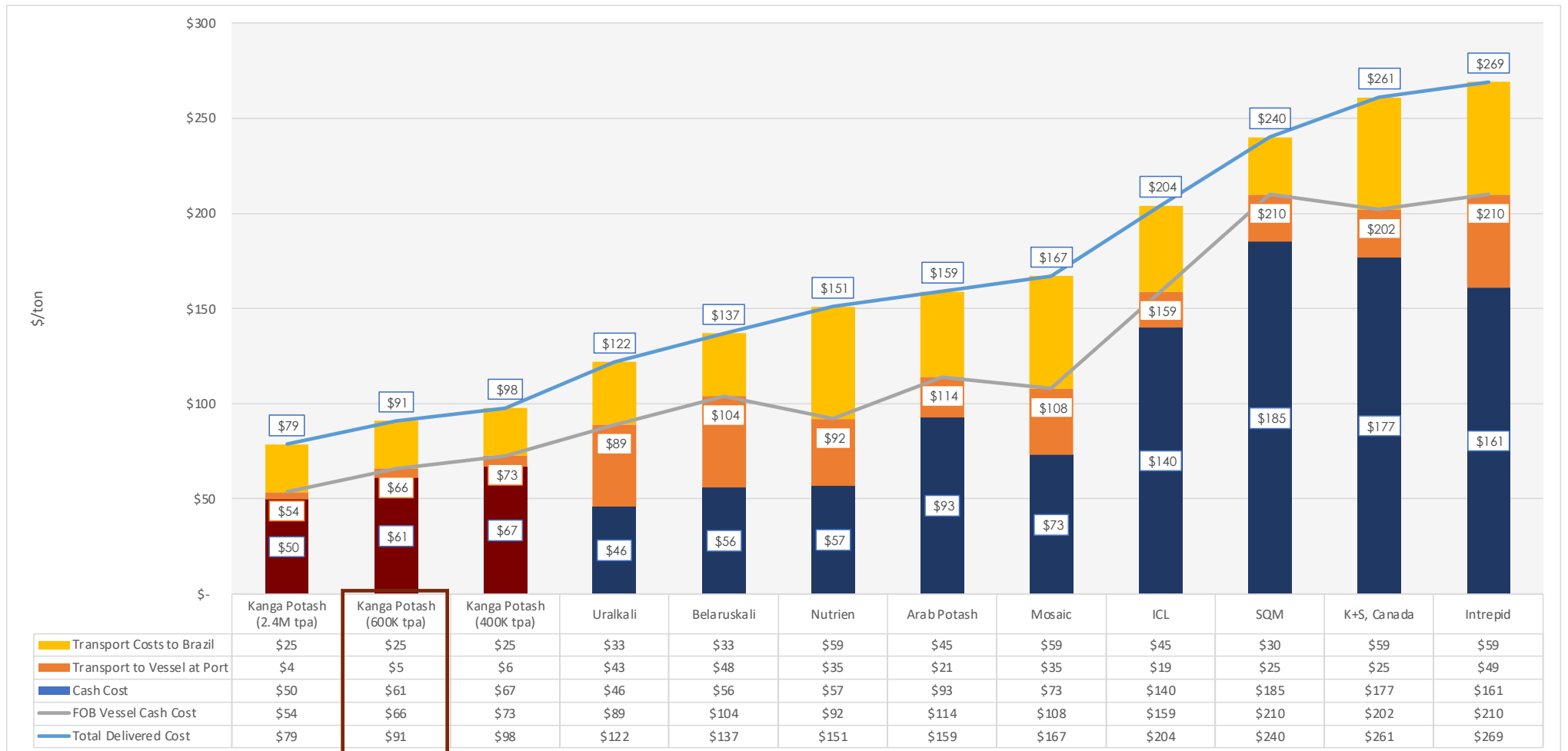


Notes:  
 Company data, public domain  
 Gensource is selling mainly into the USA

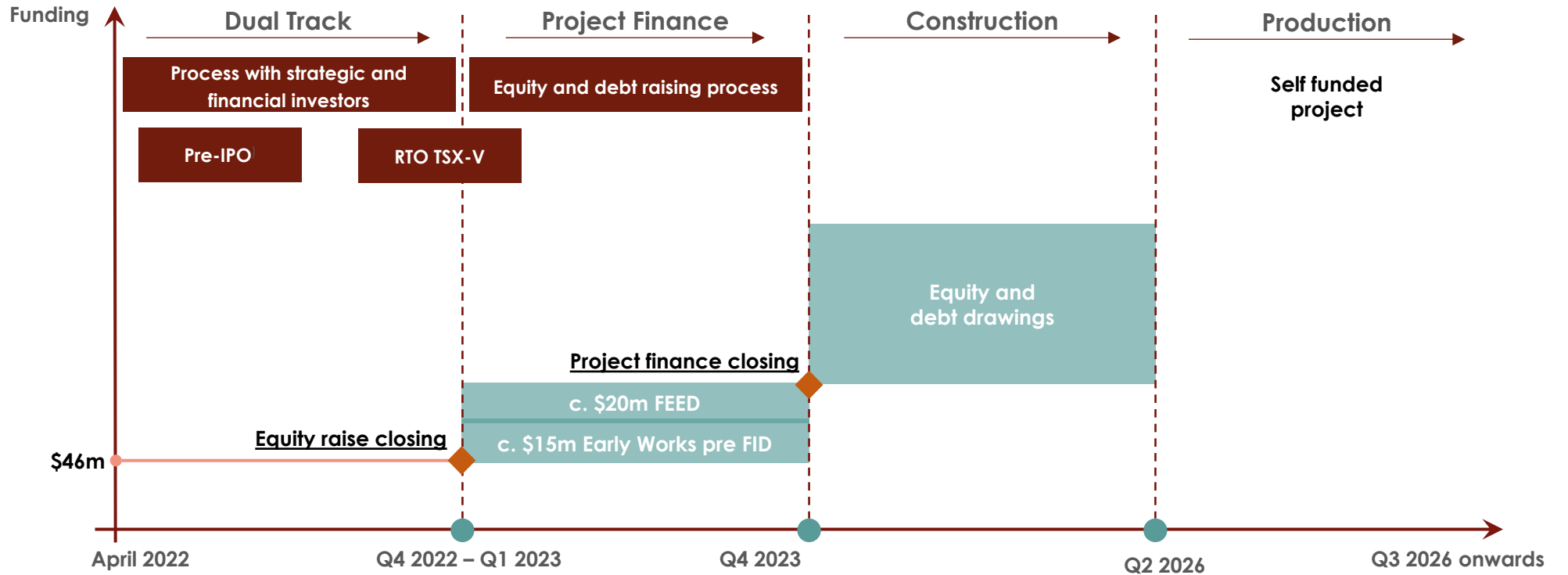
**The Kanga Potash project's OPEX is on the lowest part of the industry cost curve**

- Process plant, solution mining and linear infrastructure next to the coast line
- Strategic location with short sailing distance to Brazil, the 2<sup>nd</sup> largest importer of potash
- Huge resource with ultra thick seams reducing the initial number of caverns required and largely reducing sustaining capital
- Other producers need to cover long distances to port of export at significant extra costs

### Kanga Potash will deliver potash at higher netbacks than existing producers to the strategic Brazilian market



# KANGA POTASH FUNDING PROCESS



### Summarized Funding Needs

<b>\$46m</b>	Invested to date
<b>+ c. \$20m</b>	FEED / pre-construction <sup>(1)</sup> funding will suffice to reach FID withing 12 - 15months
<b>+ c. \$15m</b>	Pre-construction works (early works)
<b>+ \$422m</b>	CAPEX for Construction until Production (2020 real, to be updated during FEED)

**\$457m total CAPEX**

Source Company 1) Not included in FEED



# USE OF FUNDING TO FID

To construction within 12–15 months from receipt of funding

## Key Activities

<b>Agreements</b>	<ul style="list-style-type: none"> <li>• Mining convention to be ratified by the ROC Parliament (convention already approved by an inter-ministry committee headed by the Ministry of Industrial Projects &amp; Geology)</li> <li>• Finalise the Gas Supply Agreement (detailed term sheet already signed)</li> <li>• Finalise off-take agreement(s)</li> </ul>
<b>Engineering</b>	<ul style="list-style-type: none"> <li>• Finalise EPC bid package and submission to pre-qualified EPCs</li> </ul>
<b>Front End Engineering &amp; Design (FEED)</b>	<ul style="list-style-type: none"> <li>• Process design freeze and final technical workstreams</li> <li>• Receive quotes from EPCM and EPC bidders (bid document 80% complete)</li> <li>• EPCM and EPC contractor(s) selection process</li> <li>• Key equipment supplier selection process</li> <li>• Bankable Report (incl. control estimates) to reach a Final Investment Decision (FID)</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Update ESIA workstreams based on final project configuration</li> </ul>
<b>Project finance</b>	<ul style="list-style-type: none"> <li>• Finalise construction finance (Equity and Debt)</li> <li>• Financial close</li> </ul>
<b>Early Works<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• Drilling of first batch of production wells<sup>(1)</sup></li> </ul>

## Funding Needs



(1) Not a requirement to reach FID

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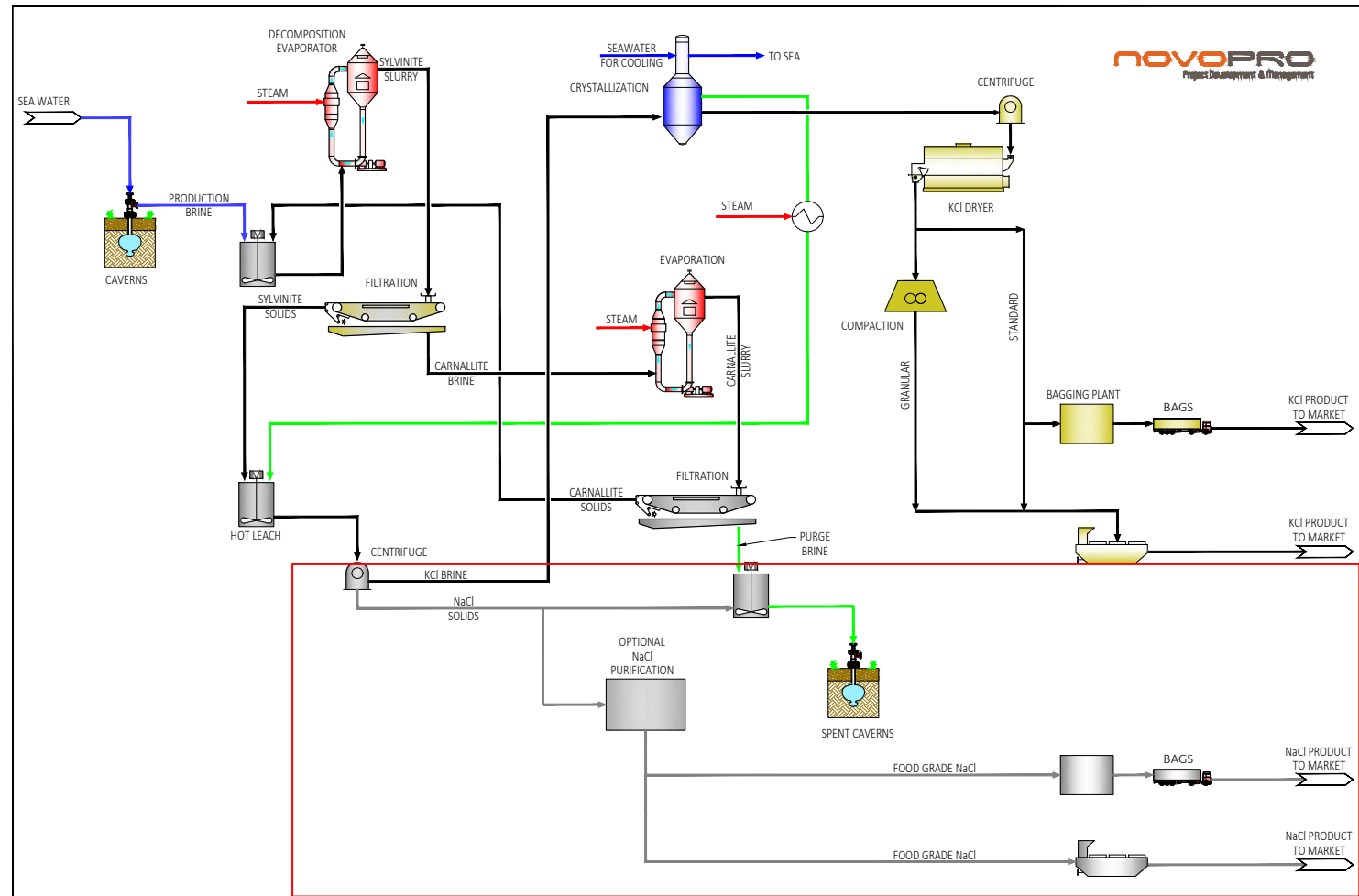
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Process Block Diagram  
Industry Benchmarking (other potash developers)

# KANGA POTASH PROCESS

## Kanga Potash – Process Block Diagram



MOP section

Food grade by-product section

Source: Novopro

Best-in-class location / logistics, cost base and mineable thickness with potential production upsides<sup>(1)</sup>

	Kanga Potash Kanga and Loango	Highfield Resources Muga-Vipasca	KORE Potash Dougou Extension	Emmerson Khemisset	Gensource Tugaske
Jurisdiction	Republic of Congo	Spain	Republic of Congo	Morocco	Canada
Location	0 km from Port (Company owned jetty)	130-200 km from Port	c. 30 km from Port (Company owned jetty)	190 km from Port	1,700 km from Port
LOM <sup>(2)</sup>	40 years	18 years (of reserves)	18 years	19 years	45 years
Mining technology	Solution Mining	Underground Mining 350-1000m depth	Solution Mining	Underground Mining 450-1000 m depth	Selective solution mining using horizontal caverns
Mineable Thickness	210m	1.6 - 4.6m	35m	4.4m	3.9m
Production capacity	600 ktpa	Phase 1 500 ktpa	400 ktpa	735 ktpa	250 ktpa
CAPEX	\$457m	Phase 1 \$405m	\$286m	\$426m	\$291m
CAPEX Intensity	\$762 / t	Phase 1 \$875 / t	\$715 / t	\$580 / t	\$1,048 / t
FOB OPEX	\$66 / t	\$74 / t	\$86 / t	\$125 / t	\$102 / t
Project Status	2020 DFS Pre-FID	2021 DFS Financing discussions	2020 PFS	2020 Feasibility Study	2017 PF
Timeline	First prod. 2025	First prod. 2024	Not announced	Not announced	First prod. 2023

**Key features on Kanga Potash also includes:**

- Significant exploration potential in a world class potash bearing basin
- Scalability - capacity to increase production with modular expansions
- Compelling energy source and logistics

**Key points of attention on conventional underground mining**

- Underground mining of evaporites can be challenging, notably if carnallite seams are present in the ore
- Key drivers include depth, grade and impurities. Grades in Canada typically > 25% K2O

Notes : (1) As per PFS / DFS when applicable, (2) LOM as of estimated ore reserves  
Source: Company, Public Information

		Kanga Potash				KORE Potash	
		Kanga				Dougou Extension	Kola
Permit status		Exploration License (Mining License Pending)				Mining License	
Project status		PFS	PFS	DFS	PFS	PFS	DFS (*)
Plant capacity	tpa	2.4M tpa	800K tpa	600K tpa	400K tpa	400K tpa	2,200 tpa
Permit size (Kanga + Loango)	km <sup>2</sup>	320+440				204	204
Mining technology		solution mining				solution mining	conventional mining
Resource base		carnallite				sylvenite	sylvenite
Meas. + Ind. (incl. reserves) @ KCL (contained)	MT, %	4,947 @ 17.1% (810)				79 @ 39.1% (31)	508 @ 35.4% (180)
Inferred @% KCL (contained)	MT, %	20,346 @ 16.7% (1,197)				66 @ 40.4% (27)	340 @ 34% (116)
Probable @ KCL (contained)	MT, %	392 @ 15.2% (59)				17.7 @ 41.7% (7)	152 @ 32.5% (49)
Mineable thickness	meter	~210				10-16	10 - 16
Number of minable seams		11				2 - 3	n/a
Deposit depth	meter	350 - 1,100				200 - 300	200 - 300
LOM	years	30				18	33
CAPEX	\$M	1605	610	457	336	286	2,100
Peak CAPEX	\$M	410	265	457	336	286	2,100
Capex intensity (stand-alone)	\$/t	669	762	761	840	715	955
FOB OPEX (excl. sust. capex and contingency)	\$/t KCl	46	56	60	64	87	88
Sustaining Capital (excl. contingency)	\$/t KCl	4.5	5.9	9.6	5.3		11
Number of wells to be drilled over LOM		83	28	70	21	238	NR
Footprint solution mining surface area	km <sup>2</sup> (appr.)	7.7	3.9	3	2.2	c. 15-20 (est.)	NR
Assumed sales price (av. blended rate)	\$	288	288	282	422	442	360
Post Tax NPV (12.2 nom) <sup>1)</sup>	\$M	1,957	527	501	237	412	1,452
Post Tax NPV (12.2 nom) @ \$442/t MOP price <sup>1)</sup>	\$M	3,710	1,192	993	553	412	1,452
Post Tax IRR @ \$442/MOP price	%	27.4	25.8	30.4	25.2	23.4	17.2
Distance from existing port PAPN	km	32	32	32	32	70 (est.)	90
Distance plant to export port	km	0	0	0	0	70 (est.)	30
Jetty length	meter	400	400	290	400	750	750
Distance to water source	km	0				35 (est.)	35
Distance to Natural Gas source	km	33				70 (est.)	70
Source		Company				KORE Potash, public domain	

1) As per PFS/ DFS when applicable

### Key Differentiators in favor of Kanga Potash vs. KORE Dougou

- ✓ Significantly thicker carnallitic seams (210 meters vs. 10-16 meters)
- ✓ Process and solution mining area located at the coast; ex-works = FOB costs
- ✓ Closer access to natural gas off-take point, thus less linear infrastructure requirements
- ✓ Significantly lower OPEX and sustaining Capital
- ✓ ESIA Letter of Conformity received
- ✓ All surface rights secured